

SENATE BILL No. 171

By Senators Holland, Corson, Doll, Faust Goudeau, Francisco, Haley, Pettey and Pittman

2-7

1 AN ACT concerning health and healthcare; creating the veterans first
2 medical cannabis act; providing for the regulation of the cultivation,
3 distribution, sale and use of medical cannabis; establishing the cannabis
4 regulatory commission; imposing an excise tax on the cultivation and
5 sale of medical cannabis; amending K.S.A. 65-28a05, 65-28b08, 79-
6 5201 and 79-5210 and K.S.A. 2022 Supp. 21-5703, 21-5705, 21-5706,
7 21-5707, 21-5709, 21-5710, 65-1120, 65-2836 and 79-3606 and
8 repealing the existing sections.

9
10 *Be it enacted by the Legislature of the State of Kansas:*

11 New Section 1. The provisions of sections 1 through 14, and
12 amendments thereto, shall be known and may be cited as the veterans first
13 medical cannabis act.

14 New Sec. 2. As used in the veterans first medical cannabis act:

15 (a) "Adequate supply" means an amount of medical cannabis
16 consumer product possessed by a qualified patient, or by a qualified
17 patient's primary caregiver on behalf of the qualified patient, that is no
18 more than reasonably necessary to ensure the uninterrupted availability of
19 medical cannabis consumer product to the qualified patient for a period of
20 three months, as specified in rules and regulations adopted by the state
21 board of pharmacy.

22 (b) "Cannabis" means all parts of the plant *cannabis sativa* L.,
23 whether growing or not, and the resin extracted therefrom, solely derived
24 from intrastate sources.

25 (c) "Healthcare provider" includes: Physician; certified nurse-
26 midwife engaging in the independent practice of midwifery under the
27 independent practice of midwifery act; advanced practice registered nurse
28 licensed under the Kansas nurse practice act; or physician assistant
29 licensed under the physician assistant licensure act.

30 (d) "Medical cannabis consumer product" means the dried leaves and
31 flowers of the cannabis plant.

32 (e) "Medical cannabis dispensary" means a facility licensed under
33 section 6, and amendments thereto, to sell medical cannabis consumer
34 products to qualified patients.

35 (f) "Medical cannabis grower-distributor" means a facility licensed

1 under section 4, and amendments thereto, to cultivate and harvest cannabis
2 for sale to medical cannabis dispensaries.

3 (g) "Physician" means a person licensed by the state board of healing
4 arts to practice medicine and surgery.

5 (h) "Primary caregiver" means a person who is a resident of Kansas,
6 who is at least 18 years of age and who has been designated by a qualified
7 patient and the patient's physician as necessary to take responsibility for
8 managing the well-being of the patient with respect to the medical use of
9 cannabis.

10 (i) "Qualified patient" means a person who is a resident of Kansas,
11 has been diagnosed by a healthcare provider as having a qualifying
12 medical condition and has a written certification issued by the patient's
13 healthcare provider.

14 (j) "Qualifying medical condition" means any of the following
15 conditions, as diagnosed by a healthcare provider and documented in a
16 written certification:

17 (1) Amyotrophic lateral sclerosis;

18 (2) cancer;

19 (3) Crohn's disease;

20 (4) damage to the nervous tissue of the spinal cord, if the patient has
21 objective neurological indication of intractable spasticity;

22 (5) epilepsy or any other seizure disorder specified by the board of
23 pharmacy;

24 (6) glaucoma;

25 (7) hepatitis C virus, if the patient is receiving antiviral treatment;

26 (8) human immunodeficiency virus or acquired immune deficiency
27 syndrome;

28 (9) Huntington's disease;

29 (10) inclusion body myositis;

30 (11) inflammatory autoimmune-mediated arthritis;

31 (12) intractable nausea or vomiting;

32 (13) multiple sclerosis;

33 (14) obstructive sleep apnea;

34 (15) painful peripheral neuropathy;

35 (16) Parkinson's disease;

36 (17) post-traumatic stress disorder;

37 (18) severe chronic pain;

38 (19) severe anorexia or cachexia;

39 (20) spasmodic torticollis or cervical dystonia;

40 (21) ulcerative colitis;

41 (22) admission into hospice care; or

42 (23) any other medical condition that results in pain, suffering or
43 debility and for which there is credible evidence satisfactory to the state

1 board of pharmacy that the medical use of cannabis could benefit, as
2 specified in rules and regulations adopted by the state board of pharmacy.

3 (k) "Written certification" means a statement made and signed by a
4 patient's healthcare provider that: The healthcare provider has a valid
5 healthcare provider-patient relationship with the patient; the healthcare
6 provider has the lawful authority to issue the written certification in
7 accordance with statutes, rules and regulations and professional standards
8 of practice applicable to the healthcare provider; in the healthcare
9 provider's professional opinion, the patient has a qualifying medical
10 condition; and the healthcare provider believes that, for the patient, the
11 potential health benefits of the medical use of cannabis would likely
12 outweigh the potential health risks.

13 New Sec. 3. (a) (1) A healthcare provider may issue a written
14 certification to a patient with whom the healthcare provider has a valid
15 healthcare provider-patient relationship, subject to all statutes, rules and
16 regulations and standards of practice applicable to the healthcare provider.

17 (2) A healthcare provider may revoke an issued written certification
18 at any time if the healthcare provider determines that the patient's
19 circumstances have changed rendering the written certification
20 inappropriate in the healthcare provider's professional judgment or
21 unlawful. The healthcare provider shall immediately notify the department
22 of health and environment of any such revocation.

23 (b) (1) A person may apply to the department of health and
24 environment for an initial or renewed patient identification card on a form,
25 in a manner and accompanied by an application fee not to exceed \$50
26 specified by the department of health and environment. If applicable, the
27 person may apply for a caregiver identification card for the patient's
28 primary caregiver on a form, in a manner and accompanied by an
29 application fee not to exceed \$50 specified by the department of health and
30 environment. If the person is a recipient of state medicaid services, the
31 application fee shall be \$10.

32 (2) A valid patient identification card shall authorize the qualified
33 patient to possess an adequate supply of medical cannabis consumer
34 product, or to collectively possess an adequate supply of medical cannabis
35 consumer product with the patient's primary caregiver, if any, and to
36 acquire an adequate supply of medical cannabis consumer product from a
37 medical cannabis dispensary.

38 (3) A valid caregiver identification card shall authorize the primary
39 caregiver to possess an adequate supply of medical cannabis consumer
40 product, or to collectively possess an adequate supply of medical cannabis
41 consumer product with the associated qualified patient, and to acquire, on
42 behalf of the associated qualified patient, an adequate supply of medical
43 cannabis consumer product from a medical cannabis dispensary.

1 (c) An applicant shall provide the following information and
2 documentation on an application for a patient identification card:

3 (1) The person's name, date of birth, address and telephone number;

4 (2) any qualifying medical condition for which the patient has a
5 current diagnosis from a healthcare provider;

6 (3) the name, address and telephone number of the patient's
7 physician;

8 (4) the name, date of birth, address and telephone number of the
9 patient's primary caregiver, if any;

10 (5) the written certification issued by the person's healthcare provider;
11 and

12 (6) any other information required by the department of health and
13 environment, as specified in rules and regulations adopted by the
14 department of health and environment.

15 (d) Within 30 calendar days of receiving any application for a patient
16 identification card or a caregiver identification card, the department of
17 health and environment shall issue a decision to grant or deny the patient
18 identification card. The department of health and environment shall verify
19 the written certification directly with the healthcare provider who issued
20 the written certification.

21 (e) The department of health and environment shall deny any
22 application for a patient identification card or caregiver identification card
23 if: The applicant did not provide any of the information required by
24 subsection (b); if the department determines any of the information
25 provided is false; or if the applicant has previously had a patient
26 identification card or caregiver identification card revoked. Any applicant
27 whose application is denied because the applicant provided false
28 information shall not be eligible to reapply for a period of six months,
29 unless specifically authorized by the department of health and
30 environment.

31 (f) Within five business days of approving an application for a patient
32 identification card or caregiver identification card, the department of
33 health and environment shall issue the patient identification card and, if
34 applicable, the caregiver identification card. The patient identification card
35 and caregiver identification card shall be effective for two years. Each
36 patient identification card and caregiver identification card shall contain:

37 (1) The name, address and date of birth of the qualified patient;

38 (2) the name, address and date of birth of the qualified patient's
39 primary caregiver, if any;

40 (3) the date of issuance and expiration date of the patient
41 identification card or caregiver identification card; and

42 (4) other information required by the department of health and
43 environment.

1 (g) The department of health and environment may refuse to issue or
2 reissue a patient identification card or caregiver identification card or
3 revoke or suspend a patient identification card or caregiver identification
4 card for any of the following reasons:

5 (1) The applicant has failed to comply with any provision of the
6 veterans first medical cannabis act, any rules and regulations adopted by
7 the department of health and environment thereunder or any order of the
8 department;

9 (2) the department has been notified by a healthcare provider that the
10 healthcare provider has revoked a written certification previously issued
11 for the applicant;

12 (3) the applicant has falsified or misrepresented any information
13 submitted to the department under this section;

14 (4) the applicant has failed to adhere to any acknowledgement,
15 verification or other representation made to the department;

16 (5) the applicant has failed to submit or disclose information
17 requested by the department under this section; or

18 (6) the applicant has threatened or harmed a healthcare provider or an
19 employee of the department in attempting to obtain a patient identification
20 card or caregiver identification card.

21 (h) All actions by the department of health and environment under
22 this section shall be in accordance with the Kansas administrative
23 procedure act and reviewable in accordance with the Kansas judicial
24 review act.

25 (i) For the first 60 days following the effective date of the veterans
26 first medical cannabis act, the department of health and environment shall
27 grant patient identification cards only to, or caregiver identification cards
28 connected to, individuals who are currently serving military service with
29 the army, navy, marine corps, air force, air or army national guard of
30 Kansas, coast guard or any branch of the military reserves of the United
31 States or who have been separated from such military service by honorable
32 discharge or general discharge under honorable conditions.

33 New Sec. 4. (a) (1) An individual may apply to the cannabis
34 regulatory commission for initial or renewed licensure as a medical
35 cannabis grower-distributor on a form, in a manner and accompanied by an
36 application fee or renewal fee not to exceed \$15,000 prescribed by the
37 cannabis regulatory commission. Licensure as a medical cannabis grower-
38 distributor shall authorize the licensee to cultivate cannabis, to dry
39 cannabis into dried leaves and flowers for sale or other transfer to a
40 medical cannabis dispensary and to distribute or transport medical
41 cannabis consumer products to a medical cannabis dispensary in
42 accordance with and for the purposes set forth in this section, and to
43 perform other acts deemed necessary and incidental thereto by the

1 cannabis regulatory commission, as established in rules and regulations
2 adopted by the cannabis regulatory commission.

3 (2) (A) No individual shall concurrently have an ownership interest in
4 a medical cannabis grower-distributor and a medical cannabis dispensary.

5 (B) No member of the legislature shall have an ownership interest in
6 a medical cannabis grower-distributor.

7 (C) No individual who is not in current compliance with any Kansas
8 tax law administered by the director of taxation of the department of
9 revenue, any tax, fee or payment administered by the department of labor
10 or any fee or charge administered by any other state agency shall have an
11 ownership interest in a medical cannabis grower-distributor.

12 (D) No individual shall concurrently have an ownership interest in
13 more than one medical cannabis grower-distributor.

14 (b) An applicant shall provide the following information and
15 documentation on an application for licensure as a medical cannabis
16 grower-distributor:

17 (1) The name, address and telephone number of the applicant;

18 (2) the physical location of any premises that will be operated as a
19 part of the medical cannabis grower-distributor operations;

20 (3) documentation that the applicant is a resident of the state of
21 Kansas;

22 (4) the name of each owner of any land, structure or building where
23 any operations of the medical cannabis grower-distributor will occur or
24 any motor vehicle that will be used to distribute or transport cannabis or
25 medical cannabis consumer products and each individual who will
26 otherwise be involved with the medical cannabis grower-distributor's
27 operations, whether as an employee or agent; and

28 (5) any other information required by the cannabis regulatory
29 commission.

30 (c) (1) Each individual working as an employee or agent of a medical
31 cannabis grower-distributor shall apply for an initial or renewed permit to
32 engage in such work on a form, in a manner and accompanied by an initial
33 or renewal permit fee not to exceed \$100 prescribed by the cannabis
34 regulatory commission.

35 (2) The cannabis regulatory commission shall require any person
36 working as an employee or agent of a medical cannabis grower-distributor
37 to be fingerprinted and to submit to a state and national criminal history
38 record check. The department is authorized to submit the fingerprints to
39 the Kansas bureau of investigation and the federal bureau of investigation
40 for a state and national criminal history record check. The department shall
41 use the information obtained from fingerprinting and the state and national
42 criminal history record check for purposes of verifying the identification
43 of the person and for making a determination of the qualifications and

1 fitness of the person to work as an employee or agent of the medical
2 cannabis grower-distributor.

3 (3) The Kansas bureau of investigation may charge a reasonable fee
4 to the applicant for fingerprinting and conducting a criminal history record
5 check.

6 (4) As a condition of licensure as a medical cannabis grower-
7 distributor, the cannabis regulatory commission shall disqualify any person
8 from working as an employee or agent of a medical cannabis grower-
9 distributor if the person has been convicted of any felony violation of
10 article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments
11 thereto, or K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their
12 transfer, any felony violation of the uniform controlled substances act prior
13 to July 1, 2009, or similar provisions of any other state or the federal
14 government.

15 (d) Within 60 calendar days of receiving any application pursuant to
16 this section, the cannabis regulatory commission shall issue a decision to
17 grant or deny licensure to the applicant as a medical cannabis grower-
18 distributor.

19 (e) If the cannabis regulatory commission denies initial or renewed
20 licensure to a medical cannabis grower-distributor, the cannabis regulatory
21 commission shall refund $\frac{1}{2}$ of the applicant's application fee or renewal
22 fee.

23 (f) Licensure as a medical cannabis grower-distributor shall be
24 effective for a period of two years. If the cannabis regulatory commission
25 grants initial or renewed licensure to a medical cannabis grower-
26 distributor, the cannabis regulatory commission shall require the applicant
27 or licensee to:

28 (1) Pay a licensure fee not to exceed \$90,000; and

29 (2) provide satisfactory evidence that the medical cannabis grower-
30 distributor has obtained a surety bond in an amount required by the
31 cannabis regulatory commission based on the size and actual and projected
32 yield of the medical cannabis grower-distributor operations, the number of
33 facilities operated by the medical cannabis grower-distributor and other
34 factors established by the cannabis regulatory commission in rules and
35 regulations.

36 (g) The cannabis regulatory commission shall remit all moneys from
37 any fees under this section to the state treasurer in accordance with K.S.A.
38 75-4215, and amendments thereto. Upon receipt of each such remittance,
39 the state treasurer shall deposit the entire amount of moneys into the state
40 treasury to the credit of the medical cannabis harvest fund created by
41 section 9, and amendments thereto.

42 (h) All actions by the cannabis regulatory commission under this
43 section shall be in accordance with the Kansas administrative procedure

1 act and reviewable in accordance with the Kansas judicial review act.

2 New Sec. 5. (a) The cannabis regulatory commission shall adopt rules
3 and regulations:

4 (1) Requiring that cannabis and dried cannabis leaves and flowers be
5 tested by an independent laboratory prior to sale or other transfer to a
6 medical cannabis dispensary;

7 (2) establishing standards and procedures for testing cannabis and
8 dried cannabis leaves;

9 (3) establishing standards for approving an independent laboratory to
10 conduct testing required by this subsection; and

11 (4) identifying appropriate tests for cannabis and dried cannabis
12 leaves and flowers that are necessary to protect the public health and
13 safety, including, but not limited to, tests for: Microbiological
14 contaminants; pesticides; other contaminants; solvents or residual solvents;
15 and concentration of tetrahydrocannabinol and cannabidiol.

16 (b) (1) Each medical cannabis grower-distributor shall make a
17 monthly report to the cannabis regulatory commission under oath, on a
18 form and in a manner prescribed by the cannabis regulatory commission
19 detailing the amount of cannabis cultivated, the amount of medical
20 cannabis consumer product sold or otherwise transferred to a medical
21 cannabis dispensary, the amount of any cannabis or medical cannabis
22 consumer product destroyed during the immediately preceding month and
23 any other information required by the cannabis regulatory commission.

24 (2) On or before July 1, 2024, the cannabis regulatory commission
25 shall adopt rules and regulations establishing requirements to submit a
26 report required by this subsection and procedures for the cannabis
27 regulatory commission to verify the reported information.

28 (c) The cannabis regulatory commission shall adopt rules and
29 regulations as necessary to implement and administer the provisions of this
30 section, including, but not limited to:

31 (1) Standards and requirements for appropriate inventory reporting
32 and management and security measures for all operations of any medical
33 cannabis grower-distributor;

34 (2) minimum and maximum concentrations of tetrahydrocannabinol
35 and cannabidiol in cannabis and medical cannabis consumer products for
36 use in accordance with the veterans first medical cannabis act; and

37 (3) requirements that proof of licensure, testing results or related
38 certifications are possessed by an individual working as an employee or
39 agent of a medical cannabis grower-distributor at all times when engaged
40 in any acts authorized by the veterans first medical cannabis act.

41 New Sec. 6. (a) (1) An individual may apply to the state board of
42 pharmacy for initial or renewed licensure as a medical cannabis dispensary
43 on a form, in a manner and accompanied by an application fee or renewal

1 application fee or renewal fee not to exceed \$5,000 prescribed by the state
2 board of pharmacy.

3 (2) (A) No individual shall concurrently have an ownership interest in
4 a medical cannabis harvester facility and a medical cannabis dispensary.

5 (B) No member of the legislature shall have an ownership interest in
6 a medical cannabis dispensary.

7 (C) No individual who is not in current compliance with any Kansas
8 tax law administered by the director of taxation of the department of
9 revenue, any tax, fee or payment administered by the department of labor
10 or any fee or charge administered by any other state agency shall have an
11 ownership interest in a medical cannabis grower-distributor.

12 (D) No individual shall concurrently have an ownership interest in
13 more than two medical cannabis dispensaries.

14 (b) An applicant shall provide the following information and
15 documentation on an application for licensure as a medical cannabis
16 dispensary:

17 (1) The name, address and telephone number of the applicant;

18 (2) the physical location of any premises that will be operated as a
19 facility for the medical cannabis dispensary's operations;

20 (3) documentation that the applicant is a resident of the state of
21 Kansas;

22 (4) the name of each owner of any land, structure or building where
23 any operations of the medical cannabis dispensary will occur and each
24 individual who will otherwise be involved with the medical cannabis
25 dispensary's operations, whether as an employee or agent; and

26 (5) any other information required by the state board of pharmacy.

27 (c) (1) Each individual working as an employee or agent of a medical
28 cannabis dispensary shall apply for an initial or renewed permit to engage
29 in such work on a form, in a manner and accompanied by an initial or
30 renewal permit fee not to exceed \$100 prescribed by the state board of
31 pharmacy.

32 (2) The state board of pharmacy shall require any person working as
33 an employee or agent of a medical cannabis dispensary to be fingerprinted
34 and to submit to a state and national criminal history record check. The
35 state board of pharmacy is authorized to submit the fingerprints to the
36 Kansas bureau of investigation and the federal bureau of investigation for
37 a state and national criminal history record check. The board shall use the
38 information obtained from fingerprinting and the state and national
39 criminal history record check for purposes of verifying the identification
40 of the person and for making a determination of the qualifications and
41 fitness of the person to work in the medical cannabis dispensary.

42 (3) The Kansas bureau of investigation may charge a reasonable fee
43 to the applicant for fingerprinting and conducting a criminal history record

1 check.

2 (4) As a condition of licensure as a medical cannabis dispensary, the
3 state board of pharmacy shall disqualify any person from working in such
4 medical cannabis dispensary if the person has been convicted of any
5 felony violation of article 57 of chapter 21 of the Kansas Statutes
6 Annotated, and amendments thereto, or K.S.A. 2010 Supp. 21-36a01
7 through 21-36a17, prior to their transfer, any felony violation of the
8 uniform controlled substances act prior to July 1, 2009, or similar
9 provisions of any other state or the federal government.

10 (d) Within 60 calendar days of receiving any application pursuant to
11 this section, the state board of pharmacy shall issue a decision to grant or
12 deny licensure to the medical cannabis dispensary.

13 (e) If the state board of pharmacy denies initial or renewed licensure
14 to a medical cannabis dispensary, the state board of pharmacy shall refund
15 $\frac{1}{2}$ of the applicant's or licensee's application fee.

16 (f) Licensure as a medical cannabis dispensary shall be effective for a
17 period of two years. If the state board of pharmacy grants initial or
18 renewed licensure to a medical cannabis dispensary, the state board of
19 pharmacy shall require the applicant or licensee to:

20 (1) Pay a licensure fee not to exceed \$30,000; and

21 (2) provide satisfactory evidence that the medical cannabis dispensary
22 has obtained a surety bond in an amount determined by the Kansas
23 department of agriculture based on the size and actual and projected
24 amounts of inventory held and sold by the medical cannabis dispensary
25 and the number of facilities operated by the medical cannabis dispensary.

26 (g) The state board of pharmacy shall remit all moneys from any fees
27 under this section to the state treasurer in accordance with K.S.A. 75-4215,
28 and amendments thereto. Upon receipt of each such remittance, the state
29 treasurer shall deposit the entire amount of moneys into the state treasury
30 to the credit of the medical cannabis dispensary fund created by section 10,
31 and amendments thereto.

32 (h) All actions by the state board of pharmacy under this section shall
33 be in accordance with the Kansas administrative procedure act and
34 reviewable in accordance with the Kansas judicial review act.

35 New Sec. 7. (a) (1) Each medical cannabis dispensary shall make a
36 monthly report to the state board of pharmacy under oath and on a form
37 and in a manner prescribed by the state board of pharmacy detailing the
38 amount of cannabis bought or otherwise transferred from a medical
39 cannabis grower-distributor, the amount of medical cannabis consumer
40 product sold to any qualified patient, the amount of any medical cannabis
41 consumer product destroyed during the immediately preceding month and
42 any other information required by the cannabis regulatory commission.

43 (2) The state board of pharmacy shall adopt rules and regulations

1 establishing requirements to submit a report required by this subsection
2 and procedures for the state board of pharmacy to verify the reported
3 information.

4 (b) The state board of pharmacy shall adopt rules and regulations as
5 necessary to implement and administer the provisions of the veterans first
6 medical cannabis act, including, but not limited to:

7 (1) Standards and requirements for appropriate inventory reporting
8 and management and security measures for all operations of any medical
9 cannabis distributor; and

10 (2) requirements that proof of licensure, testing results or related
11 certifications are possessed by an individual working as an employee or
12 agent of a medical cannabis dispensary at all times when engaged in any
13 acts authorized by the veterans first medical cannabis act.

14 New Sec. 8. A patient identification card, or its equivalent, that is
15 issued under the laws of another state, district, territory, commonwealth or
16 insular possession of the United States that is verifiable by the jurisdiction
17 of issuance and allows a nonresident patient to purchase and possess
18 medical cannabis for medical purposes shall have the same force and
19 effect as an identification card issued by the department pursuant to this
20 act if the nonresident patient has not been residing in this state for more
21 than 180 days.

22 New Sec. 9. (a) A tax is hereby imposed upon the privilege of
23 growing and harvesting medical cannabis in the state of Kansas at a rate of
24 \$115 per pound or each portion of a pound. For purposes of calculating the
25 tax, the weight shall be measured by the weight of all medical cannabis
26 plant material harvested after drying and processing.

27 (b) The secretary of agriculture shall adopt rules and regulations to
28 uniformly and efficiently administer the weighing of harvested cannabis
29 for purposes of this section.

30 (c) On or before the 20th day of each calendar month every medical
31 cannabis grower-distributor shall file a return with the director of taxation
32 showing the quantity of medical cannabis harvested by the medical
33 cannabis grower-distributor in this state during the preceding calendar
34 month. Each return shall be accompanied by a remittance for the full tax
35 liability shown.

36 (d) The secretary of revenue shall adopt rules and regulations to
37 implement the provisions of this section.

38 (e) The tax imposed by this section shall be in addition to the tax
39 imposed upon the privilege of selling or dispensing in medical cannabis
40 consumer products pursuant to section 10, and amendments thereto.

41 (f) There is hereby established in the state treasury the medical
42 cannabis harvest fund. The medical cannabis harvest fund shall be
43 administered by the department of revenue. All expenditures from the

1 medical cannabis harvest fund shall be used for costs related to medical
2 cannabis regulation, taxation and enforcement by the department of
3 revenue. All expenditures from the medical cannabis harvest fund shall be
4 made in accordance with appropriation acts upon warrants of the director
5 of accounts and reports issued pursuant to vouchers approved by the
6 director of taxation or the designee of the director. All moneys received by
7 the director or the designee of the director from taxes imposed by this
8 section shall be deposited in the state treasury in accordance with the
9 provisions of K.S.A. 75-4215, and amendments thereto, and shall be
10 credited to the medical cannabis harvest fund.

11 New Sec. 10. (a) A tax is hereby imposed upon the privilege of
12 selling or dispensing in medical cannabis consumer products in this state
13 by any duly licensed medical cannabis dispensary, at the rate of \$3.00 per
14 ounce of such products and a proportionate tax at the like rate on all
15 fractional parts thereof. Such tax shall be imposed at the earliest time the
16 dispensary: (1) Makes, manufactures or processes medical cannabis
17 consumer products in this state; (2) packages medical cannabis consumer
18 products in this state; or (3) sells medical cannabis consumer products to
19 consumers within this state.

20 (b) On or before the 20th day of each calendar month every medical
21 cannabis dispensary shall file a return with the director of taxation
22 showing the quantity of medical cannabis consumer product: (1) Made,
23 manufactured or processed in this state for sale in this state; (2) packaged
24 in this state for sale in this state; or (3) sold to consumers within this state
25 during the preceding calendar month. Each return shall be accompanied by
26 a remittance for the full tax liability shown.

27 (c) The secretary of revenue shall adopt rules and regulations as
28 necessary to implement and administer the provisions of this section.

29 (d) There is hereby established in the state treasury the medical
30 cannabis dispensary fund. The medical cannabis dispensary fund shall be
31 administered by the state board of pharmacy. All expenditures from the
32 medical cannabis dispensary fund shall be used for costs related to medical
33 cannabis regulation and enforcement by the board of pharmacy. All
34 expenditures from the medical cannabis harvesting fund shall be made in
35 accordance with appropriation acts upon warrants of the director of
36 accounts and reports issued pursuant to vouchers approved by the
37 president of the state board of pharmacy or the president's designee. All
38 moneys received by the director or the designee of the director from taxes
39 imposed by this section shall be deposited in the state treasury in
40 accordance with the provisions of K.S.A. 75-4215, and amendments
41 thereto, and shall be credited to the medical cannabis dispensary fund.

42 New Sec. 11. The director of taxation shall have the power to require
43 any medical cannabis grower-distributor or medical cannabis dispensary to

1 furnish additional information deemed necessary for the purpose of
2 computing the amount of the taxes due pursuant to this act, and for such
3 purpose to examine all books, records and files of such persons or entities,
4 and for such purpose, the director shall have the power to issue subpoenas
5 and examine witnesses under oath, and if any witness shall fail or refuse to
6 appear at the request of the director, or refuse access to books, records and
7 files, the district court of the proper county, or the judge thereof, on
8 application of the director, shall compel obedience by proceedings for
9 contempt, as in the case of disobedience of the requirements of a subpoena
10 issued from such court or a refusal to testify therein.

11 New Sec. 12. The provisions of K.S.A. 75-5133, 79-3610, 79-3611,
12 79-3612, 79-3613, 79-3615 and 79-3617, and amendments thereto,
13 relating to the assessment, collection, appeal and administration of the
14 retailers' sales tax, insofar as practical, shall have full force and effect with
15 respect to taxes, penalties and fines imposed by sections 9 and 10, and
16 amendments thereto.

17 New Sec. 13. (a) There is hereby established the cannabis regulatory
18 commission within the Kansas department of revenue. The cannabis
19 regulatory commission shall be administered under the direction of a
20 director of the cannabis regulatory commission, who shall be appointed by
21 and serve at the pleasure of the secretary of revenue. The director shall be
22 in the unclassified service under the Kansas civil service act and shall
23 receive an annual salary fixed by the secretary of revenue and approved by
24 the governor.

25 (b) The director of the cannabis regulatory commission shall be
26 responsible for all powers, duties and functions assigned to the department
27 of revenue under the veterans first medical cannabis act.

28 (c) The cannabis regulatory commission shall adopt rules and
29 regulations as necessary to implement and administer the provisions of the
30 veterans first medical cannabis act and may advise and consult with the
31 department of health and environment and the state board of pharmacy
32 regarding such rules and regulations.

33 (d) (1) The cannabis regulatory commission shall establish an
34 electronic database to store information detailing:

35 (A) Each license issued to any individual in accordance with the
36 veterans first medical cannabis act, including any modification, revocation,
37 suspension or other action relating to the license;

38 (B) each individual issued a patient identification card or caregiver
39 identification card in accordance with section 3, and amendments thereto;

40 (C) each individual working as an employee or agent of a medical
41 cannabis grower-distributor in accordance with section 4, and amendments
42 thereto, or medical cannabis dispensary in accordance with section 6, and
43 amendments thereto; and

1 (D) other information deemed necessary or appropriate by the
2 director of the cannabis regulatory commission.

3 (2) Information in the database shall be shared with law enforcement
4 authorities in a manner prescribed by the Kansas bureau of investigation
5 for the purpose of verifying the validity of any identification card or
6 license issued in accordance with the veterans first medical cannabis act or
7 the location of any operations authorized by the veterans first medical
8 cannabis act.

9 New Sec. 14. (a) There is hereby established the medical cannabis
10 implementation task force. The medical cannabis implementation task
11 force shall submit a report to the governor and the legislature each year on
12 or before the first day of the regular session of the legislature, including
13 information about the implementation of the veterans first medical
14 cannabis act and recommendations related thereto.

15 (b) The medical cannabis implementation task force shall consist of
16 the following members:

17 (1) One member appointed by the speaker of the house of
18 representatives;

19 (2) one member appointed by the minority leader of the house of
20 representatives;

21 (3) one member appointed by the president of the senate;

22 (4) one member appointed by the minority leader of the senate;

23 (5) one member appointed by the secretary of health and
24 environment;

25 (6) one member appointed by the secretary of agriculture;

26 (7) one member appointed by the state board of pharmacy;

27 (8) one member appointed by the secretary of revenue; and

28 (9) one member appointed by the attorney general.

29 New Sec. 15. (a) (1) Any individual who is issued a valid, unrevoked
30 and unexpired license or identification card who is acting in compliance
31 with the veterans first medical cannabis act shall be immune from criminal
32 prosecution of any state law, city ordinance or county resolution involving
33 cannabis or medical cannabis consumer products. Any individual may be
34 prosecuted for acts not authorized by the veterans first medical cannabis
35 act.

36 (2) Where circumstances involve cultivation, manufacture or
37 distribution of cannabis or medical cannabis consumer products by the
38 individual, the department of revenue must have issued a license
39 authorizing such cultivation, manufacture or distribution of cannabis or
40 medical cannabis consumer products in accordance with section 4, and
41 amendments thereto, for the individual to be immune from criminal
42 prosecution under this section.

43 (3) Where circumstances involve possession of medical cannabis

1 consumer products, the department of health and environment must have
2 issued a patient identification card or caregiver identification card, the
3 department of revenue must have issued a license for a medical cannabis
4 grower-distributor or the state board of pharmacy must have issued a
5 license for a medical cannabis dispensary authorizing such possession in
6 accordance with the veterans first medical cannabis act for the individual
7 to be immune from criminal prosecution under this section.

8 (4) As used in this subsection, "criminal prosecution" includes arrest,
9 detention in custody or charging or prosecution of the individual.

10 (b) (1) The mere possession of cannabis or medical cannabis
11 consumer products or a positive test result from a test indicating only the
12 presence of tetrahydrocannabinol by an individual authorized and issued a
13 patient identification card, caregiver identification card, medical cannabis
14 grower-distributor license or medical cannabis dispensary license in
15 accordance with the veterans first medical cannabis act shall not, in the
16 absence of other facts or circumstances, constitute probable cause for
17 arrest for possession of a controlled substance prohibited by state law, city
18 ordinance or county resolution, if the individual has a valid, unrevoked and
19 unexpired patient identification card, caregiver identification card, medical
20 cannabis grower-distributor license or medical cannabis dispensary license
21 in the individual's possession.

22 (2) As used in this subsection, "other facts or circumstances" include,
23 but are not limited to, quantity, method of packaging or labeling,
24 statements by the individual in possession or other information leading a
25 reasonable law enforcement officer to believe the acts involving cannabis
26 or medical cannabis consumer products are not in accordance with the
27 veterans first medical cannabis act.

28 (3) Absent an arrest, a law enforcement officer, with reasonable
29 suspicion that the substance is not possessed or used in accordance with
30 the veterans first medical cannabis act, may seize a portion of the
31 substance adequate for further testing.

32 (c) This section shall be part of and supplemental to article 57 of
33 chapter 21 of the Kansas Statutes Annotated, and amendments thereto.

34 Sec. 16. K.S.A. 2022 Supp. 21-5703 is hereby amended to read as
35 follows: 21-5703. (a) It shall be unlawful for any person to manufacture
36 any controlled substance or controlled substance analog.

37 (b) Violation or attempted violation of subsection (a) is a:

38 (1) Drug severity level 2 felony, except as provided in subsections (b)
39 (2) and (b)(3);

40 (2) drug severity level 1 felony if:

41 (A) The controlled substance is not methamphetamine, as defined by
42 ~~subsection (d)(3) or (f)(1) of~~ K.S.A. 65-4107(d)(3) *or (f)(1)*, and
43 amendments thereto, or an analog thereof; and

1 (B) the offender has a prior conviction for unlawful manufacturing of
 2 a controlled substance under this section, K.S.A. 65-4159, prior to its
 3 repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or a substantially
 4 similar offense from another jurisdiction and the substance was not
 5 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1)~~ of K.S.A. 65-
 6 4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof, in any
 7 such prior conviction; and

8 (3) drug severity level 1 felony if the controlled substance is
 9 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1)~~ of K.S.A. 65-
 10 4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof.

11 (c) The provisions of ~~subsection (d)~~ of K.S.A. 2022 Supp. 21-
 12 5301(d), and amendments thereto, shall not apply to a violation of
 13 attempting to unlawfully manufacture any controlled substance or
 14 controlled substance analog pursuant to this section.

15 (d) For persons arrested and charged under this section, bail shall be
 16 at least \$50,000 cash or surety, and such person shall not be released upon
 17 the person's own recognizance pursuant to K.S.A. 22-2802, and
 18 amendments thereto, unless the court determines, on the record, that the
 19 defendant is not likely to re-offend, the court imposes pretrial supervision,
 20 or the defendant agrees to participate in a licensed or certified drug
 21 treatment program.

22 (e) The sentence of a person who violates this section shall not be
 23 subject to statutory provisions for suspended sentence, community service
 24 work or probation.

25 (f) The sentence of a person who violates this section, K.S.A. 65-
 26 4159, prior to its repeal, or K.S.A. 2010 Supp. 21-36a03, prior to its
 27 transfer, shall not be reduced because these sections prohibit conduct
 28 identical to that prohibited by K.S.A. 65-4161 or 65-4163, prior to their
 29 repeal, K.S.A. 2010 Supp. 21-36a05, prior to its transfer, or K.S.A. 2022
 30 Supp. 21-5705, and amendments thereto.

31 (g) *The provisions of this section shall not apply to any medical*
 32 *cannabis grower-distributor licensed by the department of revenue under*
 33 *section 4, and amendments thereto, that is preparing medical cannabis*
 34 *consumer products, as defined in section 2, and amendments thereto, when*
 35 *used for acts authorized by the veterans first medical cannabis act.*

36 Sec. 17. K.S.A. 2022 Supp. 21-5705 is hereby amended to read as
 37 follows: 21-5705. (a) It shall be unlawful for any person to distribute or
 38 possess with the intent to distribute any of the following controlled
 39 substances or controlled substance analogs thereof:

40 (1) Opiates, opium or narcotic drugs, or any stimulant designated in
 41 ~~subsection (d)(1), (d)(3) or (f)(1)~~ of K.S.A. 65-4107(d)(1), (d)(3) or (f)(1),
 42 and amendments thereto;

43 (2) any depressant designated in ~~subsection (e)~~ of K.S.A. 65-4105(e),

1 ~~subsection (e) of K.S.A. 65-4107(e), subsection (b) or (c) of K.S.A. 65-~~
2 ~~4109(b) or (c) or subsection (b) of K.S.A. 65-4111(b), and amendments~~
3 ~~thereto;~~

4 (3) any stimulant designated in ~~subsection (f) of K.S.A. 65-4105(f),~~
5 ~~subsection (d)(2), (d)(4), (d)(5) or (f)(2) of K.S.A. 65-4107(d)(2), (d)(4),~~
6 ~~(d)(5) or (f)(2) or subsection (e) of K.S.A. 65-4109(e), and amendments~~
7 ~~thereto;~~

8 (4) any hallucinogenic drug designated in ~~subsection (d) of K.S.A.~~
9 ~~65-4105(d), subsection (g) of K.S.A. 65-4107(g) or subsection (g) of~~
10 ~~K.S.A. 65-4109(g), and amendments thereto;~~

11 (5) any substance designated in ~~subsection (g) of K.S.A. 65-4105(g)~~
12 ~~and subsection (e), (d), (e), (f) or (g) of K.S.A. 65-4111(c), (d), (e), (f) or~~
13 ~~(g), and amendments thereto;~~

14 (6) any anabolic steroids as defined in ~~subsection (f) of K.S.A. 65-~~
15 ~~4109(f), and amendments thereto; or~~

16 (7) any substance designated in ~~subsection (h) of K.S.A. 65-4105(h),~~
17 ~~and amendments thereto.~~

18 (b) It shall be unlawful for any person to distribute or possess with
19 the intent to distribute a controlled substance or a controlled substance
20 analog designated in K.S.A. 65-4113, and amendments thereto.

21 (c) It shall be unlawful for any person to cultivate any controlled
22 substance or controlled substance analog listed in subsection (a).

23 (d) (1) Except as provided further, violation of subsection (a) is a:

24 (A) Drug severity level 4 felony if the quantity of the material was
25 less than 3.5 grams;

26 (B) drug severity level 3 felony if the quantity of the material was at
27 least 3.5 grams but less than 100 grams;

28 (C) drug severity level 2 felony if the quantity of the material was at
29 least 100 grams but less than 1 kilogram; and

30 (D) drug severity level 1 felony if the quantity of the material was 1
31 kilogram or more.

32 (2) Violation of subsection (a) with respect to material containing any
33 quantity of marijuana, or an analog thereof, is a:

34 (A) Drug severity level 4 felony if the quantity of the material was
35 less than 25 grams;

36 (B) drug severity level 3 felony if the quantity of the material was at
37 least 25 grams but less than 450 grams;

38 (C) drug severity level 2 felony if the quantity of the material was at
39 least 450 grams but less than 30 kilograms; and

40 (D) drug severity level 1 felony if the quantity of the material was 30
41 kilograms or more.

42 (3) Violation of subsection (a) with respect to material containing any
43 quantity of heroin, as defined by ~~subsection (e)(1) of K.S.A. 65-4105(c)~~

1 (1), and amendments thereto, or methamphetamine, as defined by
2 ~~subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1)~~, and
3 amendments thereto, or an analog thereof, is a:

4 (A) Drug severity level 4 felony if the quantity of the material was
5 less than 1 gram;

6 (B) drug severity level 3 felony if the quantity of the material was at
7 least 1 gram but less than 3.5 grams;

8 (C) drug severity level 2 felony if the quantity of the material was at
9 least 3.5 grams but less than 100 grams; and

10 (D) drug severity level 1 felony if the quantity of the material was
11 100 grams or more.

12 (4) Violation of subsection (a) with respect to material containing any
13 quantity of a controlled substance designated in K.S.A. 65-4105, 65-4107,
14 65-4109 or 65-4111, and amendments thereto, or an analog thereof,
15 distributed by dosage unit, is a:

16 (A) Drug severity level 4 felony if the number of dosage units was
17 fewer than 10;

18 (B) drug severity level 3 felony if the number of dosage units was at
19 least 10 but less than 100;

20 (C) drug severity level 2 felony if the number of dosage units was at
21 least 100 but less than 1,000; and

22 (D) drug severity level 1 felony if the number of dosage units was
23 1,000 or more.

24 (5) For any violation of subsection (a), the severity level of the
25 offense shall be increased one level if the controlled substance or
26 controlled substance analog was distributed or possessed with the intent to
27 distribute on or within 1,000 feet of any school property.

28 (6) Violation of subsection (b) is a:

29 (A) Class A person misdemeanor, except as provided in ~~subsection~~
30 ~~(d)(6)(B)~~ *subparagraph (B)*; and

31 (B) nondrug severity level 7, person felony if the substance was
32 distributed to or possessed with the intent to distribute to a minor.

33 (7) Violation of subsection (c) is a:

34 (A) Drug severity level 3 felony if the number of plants cultivated
35 was more than 4 but fewer than 50;

36 (B) drug severity level 2 felony if the number of plants cultivated was
37 at least 50 but fewer than 100; and

38 (C) drug severity level 1 felony if the number of plants cultivated was
39 100 or more.

40 (e) In any prosecution under this section, there shall be a rebuttable
41 presumption of an intent to distribute if any person possesses the following
42 quantities of controlled substances or analogs thereof:

43 (1) 450 grams or more of marijuana;

- 1 (2) 3.5 grams or more of heroin or methamphetamine;
- 2 (3) 100 dosage units or more containing a controlled substance; or
- 3 (4) 100 grams or more of any other controlled substance.
- 4 (f) It shall not be a defense to charges arising under this section that
- 5 the defendant:
- 6 (1) Was acting in an agency relationship on behalf of any other party
- 7 in a transaction involving a controlled substance or controlled substance
- 8 analog;
- 9 (2) did not know the quantity of the controlled substance or
- 10 controlled substance analog; or
- 11 (3) did not know the specific controlled substance or controlled
- 12 substance analog contained in the material that was distributed or
- 13 possessed with the intent to distribute.
- 14 (g) *The provisions of subsections (a)(4) and (5) shall not apply to:*
- 15 (1) *Any medical cannabis grower-distributor licensed by the*
- 16 *department of revenue under section 4, and amendments thereto, or any*
- 17 *employee or agent thereof, that is growing cannabis for the purpose of*
- 18 *sale to a medical cannabis dispensary as authorized by section 4, and*
- 19 *amendments thereto; or*
- 20 (2) *any medical cannabis dispensary licensed by the state board of*
- 21 *pharmacy under section 6, and amendments thereto, or any employee or*
- 22 *agent thereof, that is engaging in the transfer of medical cannabis*
- 23 *consumer products in a manner authorized by sections 6, and amendments*
- 24 *thereto.*
- 25 (h) As used in this section:
- 26 (1) "Material" means the total amount of any substance, including a
- 27 compound or a mixture, ~~which~~ *that* contains any quantity of a controlled
- 28 substance or controlled substance analog.
- 29 (2) "Dosage unit" means a controlled substance or controlled
- 30 substance analog distributed or possessed with the intent to distribute as a
- 31 discrete unit, including but not limited to, one pill, one capsule or one
- 32 microdot, and not distributed by weight.
- 33 (A) For steroids, or controlled substances in liquid solution legally
- 34 manufactured for prescription use, or an analog thereof, "dosage unit"
- 35 means the smallest medically approved dosage unit, as determined by the
- 36 label, materials provided by the manufacturer, a prescribing authority,
- 37 licensed health care professional or other qualified health authority.
- 38 (B) For illegally manufactured controlled substances in liquid
- 39 solution, or controlled substances in liquid products not intended for
- 40 ingestion by human beings, or an analog thereof, "dosage unit" means 10
- 41 milligrams, including the liquid carrier medium, except as provided in
- 42 subsection (g)(2)(C).
- 43 (C) For lysergic acid diethylamide (LSD) in liquid form, or an analog

1 thereof, a dosage unit is defined as 0.4 milligrams, including the liquid
2 medium.

3 Sec. 18. K.S.A. 2022 Supp. 21-5706 is hereby amended to read as
4 follows: 21-5706. (a) It shall be unlawful for any person to possess any
5 opiates, opium or narcotic drugs, or any stimulant designated in K.S.A. 65-
6 4107(d)(1), (d)(3) or (f)(1), and amendments thereto, or a controlled
7 substance analog thereof.

8 (b) It shall be unlawful for any person to possess any of the following
9 controlled substances or controlled substance analogs thereof:

10 (1) Any depressant designated in K.S.A. 65-4105(e), 65-4107(e), 65-
11 4109(b) or (c) or 65-4111(b), and amendments thereto;

12 (2) any stimulant designated in K.S.A. 65-4105(f), 65-4107(d)(2), (d)
13 (4), (d)(5) or (f)(2) or 65-4109(e), and amendments thereto;

14 (3) any hallucinogenic drug designated in K.S.A. 65-4105(d), 65-
15 4107(g) or 65-4109(g), and amendments thereto;

16 (4) any substance designated in K.S.A. 65-4105(g) and 65-4111(c),
17 (d), (e), (f) or (g), and amendments thereto;

18 (5) any anabolic steroids as defined in K.S.A. 65-4109(f), and
19 amendments thereto;

20 (6) any substance designated in K.S.A. 65-4113, and amendments
21 thereto; or

22 (7) any substance designated in K.S.A. 65-4105(h), and amendments
23 thereto.

24 (c) (1) Violation of subsection (a) is a drug severity level 5 felony.

25 (2) Except as provided in subsection (c)(3):

26 (A) Violation of subsection (b) is a class A nonperson misdemeanor,
27 except as provided in subparagraph (B); and

28 (B) violation of subsection (b)(1) through (b)(5) or (b)(7) is a drug
29 severity level 5 felony if that person has a prior conviction under such
30 subsection, under K.S.A. 65-4162, prior to its repeal, under a substantially
31 similar offense from another jurisdiction, or under any city ordinance or
32 county resolution for a substantially similar offense if the substance
33 involved was 3, 4-methylenedioxyamphetamine (MDMA), marijuana
34 as designated in K.S.A. 65-4105(d), and amendments thereto, or any
35 substance designated in K.S.A. 65-4105(h), and amendments thereto, or an
36 analog thereof.

37 (3) If the substance involved is marijuana, as designated in K.S.A.
38 65-4105(d), and amendments thereto, or tetrahydrocannabinols, as
39 designated in K.S.A. 65-4105(h), and amendments thereto, violation of
40 subsection (b) is a:

41 (A) Class B nonperson misdemeanor, except as provided in
42 subparagraphs (B) and (C);

43 (B) class A nonperson misdemeanor if that person has a prior

1 conviction under such subsection, under K.S.A. 65-4162, prior to its
2 repeal, under a substantially similar offense from another jurisdiction, or
3 under any city ordinance or county resolution for a substantially similar
4 offense; and

5 (C) drug severity level 5 felony if that person has two or more prior
6 convictions under such subsection, under K.S.A. 65-4162, prior to its
7 repeal, under a substantially similar offense from another jurisdiction, or
8 under any city ordinance or county resolution for a substantially similar
9 offense.

10 (d) It shall be an affirmative defense to prosecution under this section
11 arising out of a person's possession of any cannabidiol treatment
12 preparation if the person:

13 (1) Has a debilitating medical condition, as defined in K.S.A. 2022
14 Supp. 65-6235, and amendments thereto, or is the parent or guardian of a
15 minor child who has such debilitating medical condition;

16 (2) is possessing a cannabidiol treatment preparation, as defined in
17 K.S.A. 2022 Supp. 65-6235, and amendments thereto, that is being used to
18 treat such debilitating medical condition; and

19 (3) has possession of a letter, at all times while the person has
20 possession of the cannabidiol treatment preparation, that:

21 (A) Shall be shown to a law enforcement officer on such officer's
22 request;

23 (B) is dated within the preceding 15 months and signed by the
24 physician licensed to practice medicine and surgery in Kansas who
25 diagnosed the debilitating medical condition;

26 (C) is on such physician's letterhead; and

27 (D) identifies the person or the person's minor child as such
28 physician's patient and identifies the patient's debilitating medical
29 condition.

30 (e) It shall not be a defense to charges arising under this section that
31 the defendant was acting in an agency relationship on behalf of any other
32 party in a transaction involving a controlled substance or controlled
33 substance analog.

34 (f) *If the substance involved is medical cannabis consumer product,*
35 *as defined in section 2, and amendments thereto, the provisions of*
36 *subsections (b) and (c) shall not apply to any person who is:*

37 (1) *A medical cannabis grower-distributor licensed by the Kansas*
38 *department of agriculture under section 4, and amendments thereto, or*
39 *any employee or agent thereof, whose possession is authorized by the*
40 *veterans first medical cannabis act;*

41 (2) *a medical cannabis dispensary licensed by the state board of*
42 *pharmacy under section 6, and amendments thereto, or any employee or*
43 *agent thereof, whose possession is authorized by the veterans first medical*

1 *cannabis act;*

2 (3) *a patient who has been issued a patient identification card under*
3 *section 3, and amendments thereto, whose possession is authorized by the*
4 *veterans first medical cannabis act; or*

5 (4) *a primary caregiver who has been issued a caregiver*
6 *identification card under section 3, and amendments thereto, whose*
7 *possession is authorized by the veterans first medical cannabis act.*

8 Sec. 19. K.S.A. 2022 Supp. 21-5707 is hereby amended to read as
9 follows: 21-5707. (a) It shall be unlawful for any person to knowingly or
10 intentionally use any communication facility:

11 (1) In committing, causing, or facilitating the commission of any
12 felony under K.S.A. 2022 Supp. 21-5703, 21-5705 or 21-5706, and
13 amendments thereto; or

14 (2) in any attempt to commit, any conspiracy to commit, or any
15 criminal solicitation of any felony under K.S.A. 2022 Supp. 21-5703, 21-
16 5705 or 21-5706, and amendments thereto. Each separate use of a
17 communication facility may be charged as a separate offense under this
18 subsection.

19 (b) Violation of subsection (a) is a nondrug severity level 8,
20 nonperson felony.

21 (c) *The provisions of this section shall not apply to any person using*
22 *communication facilities solely within the scope of activities authorized by*
23 *the veterans first medical cannabis act.*

24 (d) As used in this section, "communication facility" means any and
25 all public and private instrumentalities used or useful in the transmission
26 of writing, signs, signals, pictures or sounds of all kinds and includes
27 telephone, wire, radio, computer, computer networks, beepers, pagers and
28 all other means of communication.

29 Sec. 20. K.S.A. 2022 Supp. 21-5709 is hereby amended to read as
30 follows: 21-5709. (a) It shall be unlawful for any person to possess
31 ephedrine, pseudoephedrine, red phosphorus, lithium metal, sodium metal,
32 iodine, anhydrous ammonia, pressurized ammonia or
33 phenylpropanolamine, or their salts, isomers or salts of isomers with an
34 intent to use the product to manufacture a controlled substance.

35 (b) It shall be unlawful for any person to use or possess with intent to
36 use any drug paraphernalia to:

37 (1) Manufacture, cultivate, plant, propagate, harvest, test, analyze or
38 distribute a controlled substance; or

39 (2) store, contain, conceal, inject, ingest, inhale or otherwise
40 introduce a controlled substance into the human body.

41 (c) It shall be unlawful for any person to use or possess with intent to
42 use anhydrous ammonia or pressurized ammonia in a container not
43 approved for that chemical by the Kansas department of agriculture.

1 (d) It shall be unlawful for any person to purchase, receive or
2 otherwise acquire at retail any compound, mixture or preparation
3 containing more than 3.6 grams of pseudoephedrine base or ephedrine
4 base in any single transaction or any compound, mixture or preparation
5 containing more than nine grams of pseudoephedrine base or ephedrine
6 base within any 30-day period.

7 (e) (1) Violation of subsection (a) is a drug severity level 3 felony;

8 (2) violation of subsection (b)(1) is a:

9 (A) Drug severity level 5 felony, except as provided in subsection (e)
10 (2)(B); and

11 (B) class B nonperson misdemeanor if the drug paraphernalia was
12 used to cultivate fewer than five marijuana plants;

13 (3) violation of subsection (b)(2) is a class B nonperson
14 misdemeanor;

15 (4) violation of subsection (c) is a drug severity level 5 felony; and

16 (5) violation of subsection (d) is a class A nonperson misdemeanor.

17 (f) For persons arrested and charged under subsection (a) or (c), bail
18 shall be at least \$50,000 cash or surety, and such person shall not be
19 released upon the person's own recognizance pursuant to K.S.A. 22-2802,
20 and amendments thereto, unless the court determines, on the record, that
21 the defendant is not likely to reoffend, the court imposes pretrial
22 supervision or the defendant agrees to participate in a licensed or certified
23 drug treatment program.

24 (g) *The provisions of subsection (b) shall not apply to any person*
25 *licensed or authorized by the veterans first medical cannabis act whose*
26 *possession of such equipment or material is used solely for the*
27 *administration of medical cannabis consumer products in a manner*
28 *authorized by the veterans first medical cannabis act.*

29 Sec. 21. K.S.A. 2022 Supp. 21-5710 is hereby amended to read as
30 follows: 21-5710. (a) It shall be unlawful for any person to advertise,
31 market, label, distribute or possess with the intent to distribute:

32 (1) Any product containing ephedrine, pseudoephedrine, red
33 phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia,
34 pressurized ammonia or phenylpropanolamine or their salts, isomers or
35 salts of isomers if the person knows or reasonably should know that the
36 purchaser will use the product to manufacture a controlled substance or
37 controlled substance analog; or

38 (2) any product containing ephedrine, pseudoephedrine or
39 phenylpropanolamine, or their salts, isomers or salts of isomers for
40 indication of stimulation, mental alertness, weight loss, appetite control,
41 energy or other indications not approved pursuant to the pertinent federal
42 over-the-counter drug final monograph or tentative final monograph or
43 approved new drug application.

1 (b) It shall be unlawful for any person to distribute, possess with the
2 intent to distribute or manufacture with intent to distribute any drug
3 paraphernalia, knowing or under circumstances where one reasonably
4 should know that it will be used to manufacture or distribute a controlled
5 substance or controlled substance analog in violation of K.S.A. 2022 Supp.
6 21-5701 through 21-5717, and amendments thereto.

7 (c) It shall be unlawful for any person to distribute, possess with
8 intent to distribute or manufacture with intent to distribute any drug
9 paraphernalia, knowing or under circumstances where one reasonably
10 should know, that it will be used as such in violation of K.S.A. 2022 Supp.
11 21-5701 through 21-5717, and amendments thereto, ~~except subsection (b)~~
12 ~~of K.S.A. 2022 Supp. 21-5706(b), and amendments thereto.~~

13 (d) It shall be unlawful for any person to distribute, possess with
14 intent to distribute or manufacture with intent to distribute any drug
15 paraphernalia, knowing, or under circumstances where one reasonably
16 should know, that it will be used as such in violation of ~~subsection (b) of~~
17 ~~K.S.A. 2022 Supp. 21-5706(b), and amendments thereto.~~

18 (e) (1) Violation of subsection (a) is a drug severity level 3 felony;

19 (2) violation of subsection (b) is a:

20 (A) Drug severity level 5 felony, except as provided in ~~subsection (e)~~
21 ~~(2)(B) subparagraph (B)~~; and

22 (B) drug severity level 4 felony if the trier of fact makes a finding that
23 the offender distributed or caused drug paraphernalia to be distributed to a
24 minor or on or within 1,000 feet of any school property;

25 (3) violation of subsection (c) is a:

26 (A) Nondrug severity level 9, nonperson felony, except as provided in
27 subsection (e)(3)(B); and

28 (B) drug severity level 5 felony if the trier of fact makes a finding that
29 the offender distributed or caused drug paraphernalia to be distributed to a
30 minor or on or within 1,000 feet of any school property; and

31 (4) violation of subsection (d) is a:

32 (A) Class A nonperson misdemeanor, except as provided in
33 subsection (e)(4)(B); and

34 (B) nondrug severity level 9, nonperson felony if the trier of fact
35 makes a finding that the offender distributed or caused drug paraphernalia
36 to be distributed to a minor or on or within 1,000 feet of any school
37 property.

38 (f) For persons arrested and charged under subsection (a), bail shall
39 be at least \$50,000 cash or surety, and such person shall not be released
40 upon the person's own recognizance pursuant to K.S.A. 22-2802, and
41 amendments thereto, unless the court determines, on the record, that the
42 defendant is not likely to re-offend, the court imposes pretrial supervision
43 or the defendant agrees to participate in a licensed or certified drug

1 treatment program.

2 (g) *The provisions of subsection (c) shall not apply to any person*
3 *licensed or authorized by the veterans first medical cannabis act whose*
4 *distribution or manufacture is used solely for medical cannabis consumer*
5 *product in a manner authorized by the veterans first medical cannabis act.*

6 (h) As used in this section, "or under circumstances where one
7 reasonably should know" that an item will be used in violation of this
8 section, shall include, but not be limited to, the following:

9 (1) Actual knowledge from prior experience or statements by
10 customers;

11 (2) inappropriate or impractical design for alleged legitimate use;

12 (3) receipt of packaging material, advertising information or other
13 manufacturer supplied information regarding the item's use as drug
14 paraphernalia; or

15 (4) receipt of a written warning from a law enforcement or
16 prosecutorial agency having jurisdiction that the item has been previously
17 determined to have been designed specifically for use as drug
18 paraphernalia.

19 Sec. 22. K.S.A. 2022 Supp. 65-1120 is hereby amended to read as
20 follows: 65-1120. (a) *Grounds for disciplinary actions.* The board may
21 deny, revoke, limit or suspend any license or authorization to practice
22 nursing as a registered professional nurse, as a licensed practical nurse, as
23 an advanced practice registered nurse or as a registered nurse anesthetist
24 that is issued by the board or applied for under this act, or may require the
25 licensee to attend a specific number of hours of continuing education in
26 addition to any hours the licensee may already be required to attend or
27 may publicly or privately censure a licensee or holder of a temporary
28 permit or authorization, if the applicant, licensee or holder of a temporary
29 permit or authorization is found after hearing:

30 (1) To be guilty of fraud or deceit in practicing nursing or in
31 procuring or attempting to procure a license to practice nursing;

32 (2) to have been guilty of a felony or to have been guilty of a
33 misdemeanor involving an illegal drug offense unless the applicant or
34 licensee establishes sufficient rehabilitation to warrant the public trust,
35 except that notwithstanding K.S.A. 74-120, and amendments thereto, no
36 license or authorization to practice nursing as a licensed professional
37 nurse, as a licensed practical nurse, as an advanced practice registered
38 nurse or registered nurse anesthetist shall be granted to a person with a
39 felony conviction for a crime against persons as specified in article 34 of
40 chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article
41 54 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. 2022 Supp.
42 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

43 (3) has been convicted or found guilty or has entered into an agreed

1 disposition of a misdemeanor offense related to the practice of nursing as
2 determined on a case-by-case basis;

3 (4) to have committed an act of professional incompetency as defined
4 in subsection (e);

5 (5) to be unable to practice with skill and safety due to current abuse
6 of drugs or alcohol;

7 (6) to be a person who has been adjudged in need of a guardian or
8 conservator, or both, under the act for obtaining a guardian or conservator,
9 or both, and who has not been restored to capacity under that act;

10 (7) to be guilty of unprofessional conduct as defined by rules and
11 regulations of the board;

12 (8) to have willfully or repeatedly violated the provisions of the
13 Kansas nurse practice act or any rules and regulations adopted pursuant to
14 that act, including K.S.A. 65-1114 and 65-1122, and amendments thereto;

15 (9) to have a license to practice nursing as a registered nurse or as a
16 practical nurse denied, revoked, limited or suspended, or to be publicly or
17 privately censured, by a licensing authority of another state, agency of the
18 United States government, territory of the United States or country or to
19 have other disciplinary action taken against the applicant or licensee by a
20 licensing authority of another state, agency of the United States
21 government, territory of the United States or country. A certified copy of
22 the record or order of public or private censure, denial, suspension,
23 limitation, revocation or other disciplinary action of the licensing authority
24 of another state, agency of the United States government, territory of the
25 United States or country shall constitute prima facie evidence of such a
26 fact for purposes of this paragraph (9); or

27 (10) to have assisted suicide in violation of K.S.A. 21-3406, prior to
28 its repeal, or K.S.A. 2022 Supp. 21-5407, and amendments thereto, as
29 established by any of the following:

30 (A) A copy of the record of criminal conviction or plea of guilty for a
31 felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2022
32 Supp. 21-5407, and amendments thereto.

33 (B) A copy of the record of a judgment of contempt of court for
34 violating an injunction issued under K.S.A. 2022 Supp. 60-4404, and
35 amendments thereto.

36 (C) A copy of the record of a judgment assessing damages under
37 K.S.A. 2022 Supp. 60-4405, and amendments thereto.

38 (b) *Proceedings*. Upon filing of a sworn complaint with the board
39 charging a person with having been guilty of any of the unlawful practices
40 specified in subsection (a), two or more members of the board shall
41 investigate the charges, or the board may designate and authorize an
42 employee or employees of the board to conduct an investigation. After
43 investigation, the board may institute charges. If an investigation, in the

1 opinion of the board, reveals reasonable grounds for believing the
2 applicant or licensee is guilty of the charges, the board shall fix a time and
3 place for proceedings, ~~which that~~ shall be conducted in accordance with
4 the provisions of the Kansas administrative procedure act.

5 (c) *Witnesses.* No person shall be excused from testifying in any
6 proceedings before the board under this act or in any civil proceedings
7 under this act before a court of competent jurisdiction on the ground that
8 such testimony may incriminate the person testifying, but such testimony
9 shall not be used against the person for the prosecution of any crime under
10 the laws of this state except the crime of perjury as defined in K.S.A. 2022
11 Supp. 21-5903, and amendments thereto.

12 (d) *Costs.* If final agency action of the board in a proceeding under
13 this section is adverse to the applicant or licensee, the costs of the board's
14 proceedings shall be charged to the applicant or licensee as in ordinary
15 civil actions in the district court, but if the board is the unsuccessful party,
16 the costs shall be paid by the board. Witness fees and costs may be taxed
17 by the board according to the statutes relating to procedure in the district
18 court. All costs accrued by the board, when it is the successful party, and
19 ~~which that~~ the attorney general certifies cannot be collected from the
20 applicant or licensee shall be paid from the board of nursing fee fund. All
21 moneys collected following board proceedings shall be credited in full to
22 the board of nursing fee fund.

23 (e) *Professional incompetency defined.* As used in this section,
24 "professional incompetency" means:

25 (1) One or more instances involving failure to adhere to the
26 applicable standard of care to a degree ~~which that~~ constitutes gross
27 negligence, as determined by the board;

28 (2) repeated instances involving failure to adhere to the applicable
29 standard of care to a degree ~~which that~~ constitutes ordinary negligence, as
30 determined by the board; or

31 (3) a pattern of practice or other behavior ~~which that~~ demonstrates a
32 manifest incapacity or incompetence to practice nursing.

33 (f) *Criminal justice information.* The board upon request shall receive
34 from the Kansas bureau of investigation such criminal history record
35 information relating to arrests and criminal convictions as necessary for
36 the purpose of determining initial and continuing qualifications of
37 licensees of and applicants for licensure by the board.

38 (g) *Medical cannabis.* *The board shall not deny, revoke, limit or*
39 *suspend an advanced practice registered nurse's license or publicly or*
40 *privately censure an advanced practice registered nurse upon any of the*
41 *following:*

42 (1) *The advanced practice registered nurse, after diagnosing a*
43 *patient with a qualifying medical condition or after knowing that a patient*

1 *has been validly diagnosed with a qualifying medical condition by a*
2 *healthcare provider:*

3 (A) *Advised the patient about the possible benefits and risks of using*
4 *medical cannabis consumer products;*

5 (B) *advised the patient that using medical cannabis consumer*
6 *products may mitigate the symptoms of the patient's qualifying medical*
7 *condition; or*

8 (C) *issued to the patient a valid, written certification under section 3,*
9 *and amendments thereto;*

10 (2) *the advanced practice registered nurse uses or has used medical*
11 *cannabis consumer products in accordance with the veterans first medical*
12 *cannabis act; or*

13 (3) *the advanced practice registered nurse acts or has acted as a*
14 *person's primary caregiver in accordance with the veterans first medical*
15 *cannabis act.*

16 Sec. 23. K.S.A. 2022 Supp. 65-2836 is hereby amended to read as
17 follows: 65-2836. (a) A licensee's license may be revoked, suspended or
18 limited, or the licensee may be publicly censured or placed under
19 probationary conditions, or an application for a license or for reinstatement
20 of a license may be denied upon a finding of the existence of any of the
21 following grounds:

22 ~~(a)~~(1) The licensee has committed fraud or misrepresentation in
23 applying for or securing an original, renewal or reinstated license.

24 ~~(b)~~(2) The licensee has committed an act of unprofessional or
25 dishonorable conduct or professional incompetency, except that the board
26 may take appropriate disciplinary action or enter into a non-disciplinary
27 resolution when a licensee has engaged in any conduct or professional
28 practice on a single occasion that, if continued, would reasonably be
29 expected to constitute an inability to practice the healing arts with
30 reasonable skill and safety to patients or unprofessional conduct as defined
31 in K.S.A. 65-2837, and amendments thereto.

32 ~~(c)~~(3) The licensee has been convicted of a felony or class A
33 misdemeanor, or substantially similar offense in another jurisdiction,
34 whether or not related to the practice of the healing arts, or the licensee has
35 been convicted in a special or general court-martial, whether or not related
36 to the practice of the healing arts. The board shall revoke a licensee's
37 license following conviction of a felony or substantially similar offense in
38 another jurisdiction, or following conviction in a general court-martial
39 occurring after July 1, 2000, unless a $\frac{2}{3}$ majority of the board members
40 present and voting determine by clear and convincing evidence that such
41 licensee will not pose a threat to the public in such person's capacity as a
42 licensee and that such person has been sufficiently rehabilitated to warrant
43 the public trust. In the case of a person who has been convicted of a felony

1 or convicted in a general court-martial and who applies for an original
2 license or to reinstate a canceled license, the application for a license shall
3 be denied unless a $\frac{2}{3}$ majority of the board members present and voting on
4 such application determine by clear and convincing evidence that such
5 person will not pose a threat to the public in such person's capacity as a
6 licensee and that such person has been sufficiently rehabilitated to warrant
7 the public trust.

8 ~~(d)~~(4) The licensee has used fraudulent or false advertisements.

9 ~~(e)~~(5) The licensee is addicted to or has distributed intoxicating
10 liquors or drugs for any other than lawful purposes.

11 ~~(f)~~(6) The licensee has willfully or repeatedly violated this act, the
12 pharmacy act of the state of Kansas or the uniform controlled substances
13 act, or any rules and regulations adopted pursuant thereto, or any rules and
14 regulations of the secretary of health and environment that are relevant to
15 the practice of the healing arts.

16 ~~(g)~~(7) The licensee has unlawfully invaded the field of practice of any
17 branch of the healing arts in which the licensee is not licensed to practice.

18 ~~(h)~~(8) The licensee has engaged in the practice of the healing arts
19 under a false or assumed name, or the impersonation of another
20 practitioner. The provisions of this subsection relating to an assumed name
21 shall not apply to licensees practicing under a professional corporation,
22 under a business entity that holds a certificate of authorization pursuant to
23 K.S.A. 2022 Supp. 65-28,134, and amendments thereto, or under any other
24 legal entity duly authorized to provide such professional services in the
25 state of Kansas.

26 ~~(i)~~(9) The licensee's ability to practice the healing arts with
27 reasonable skill and safety to patients is impaired by reason of physical or
28 mental illness, or condition or use of alcohol, drugs or controlled
29 substances. All information, reports, findings and other records relating to
30 impairment shall be confidential and not subject to discovery by or release
31 to any person or entity outside of a board proceeding.

32 ~~(j)~~(10) The licensee has had a license to practice the healing arts
33 revoked, suspended or limited, has been censured or has had other
34 disciplinary action taken, or an application for a license denied, by the
35 proper licensing authority of another state, territory, District of Columbia,
36 or other country.

37 ~~(k)~~(11) The licensee has violated any lawful rule and regulation
38 promulgated by the board or violated any lawful order or directive of the
39 board previously entered by the board.

40 ~~(l)~~(12) The licensee has failed to report or reveal the knowledge
41 required to be reported or revealed under K.S.A. 65-28,122, and
42 amendments thereto.

43 ~~(m)~~(13) The licensee, if licensed to practice medicine and surgery,

1 has failed to inform in writing a patient suffering from any form of
2 abnormality of the breast tissue for which surgery is a recommended form
3 of treatment, of alternative methods of treatment recognized by licensees
4 of the same profession in the same or similar communities as being
5 acceptable under like conditions and circumstances.

6 ~~(h)~~(14) The licensee has cheated on or attempted to subvert the
7 validity of the examination for a license.

8 ~~(i)~~(15) The licensee has been found to be mentally ill, disabled, not
9 guilty by reason of insanity, not guilty because the licensee suffers from a
10 mental disease or defect or incompetent to stand trial by a court of
11 competent jurisdiction.

12 ~~(j)~~(16) The licensee has prescribed, sold, administered, distributed or
13 given a controlled substance to any person for other than medically
14 accepted or lawful purposes.

15 ~~(k)~~(17) The licensee has violated a federal law or regulation relating
16 to controlled substances.

17 ~~(l)~~(18) The licensee has failed to furnish the board, or its investigators
18 or representatives, any information legally requested by the board.

19 ~~(m)~~(19) Sanctions or disciplinary actions have been taken against the
20 licensee by a peer review committee, healthcare facility, a governmental
21 agency or department or a professional association or society for acts or
22 conduct similar to acts or conduct that would constitute grounds for
23 disciplinary action under this section.

24 ~~(n)~~(20) The licensee has failed to report to the board any adverse
25 action taken against the licensee by another state or licensing jurisdiction,
26 a peer review body, a healthcare facility, a professional association or
27 society, a governmental agency, by a law enforcement agency or a court
28 for acts or conduct similar to acts or conduct that would constitute grounds
29 for disciplinary action under this section.

30 ~~(o)~~(21) The licensee has surrendered a license or authorization to
31 practice the healing arts in another state or jurisdiction, has surrendered the
32 authority to utilize controlled substances issued by any state or federal
33 agency, has agreed to a limitation to or restriction of privileges at any
34 medical care facility or has surrendered the licensee's membership on any
35 professional staff or in any professional association or society while under
36 investigation for acts or conduct similar to acts or conduct that would
37 constitute grounds for disciplinary action under this section.

38 ~~(p)~~(22) The licensee has failed to report to the board surrender of the
39 licensee's license or authorization to practice the healing arts in another
40 state or jurisdiction or surrender of the licensee's membership on any
41 professional staff or in any professional association or society while under
42 investigation for acts or conduct similar to acts or conduct that would
43 constitute grounds for disciplinary action under this section.

1 ~~(w)~~(23) The licensee has an adverse judgment, award or settlement
2 against the licensee resulting from a medical liability claim related to acts
3 or conduct similar to acts or conduct that would constitute grounds for
4 disciplinary action under this section.

5 ~~(x)~~(24) The licensee has failed to report to the board any adverse
6 judgment, settlement or award against the licensee resulting from a
7 medical malpractice liability claim related to acts or conduct similar to acts
8 or conduct that would constitute grounds for disciplinary action under this
9 section.

10 ~~(y)~~(25) The licensee has failed to maintain a policy of professional
11 liability insurance as required by K.S.A. 40-3402 or 40-3403a, and
12 amendments thereto.

13 ~~(z)~~(26) The licensee has failed to pay the premium surcharges as
14 required by K.S.A. 40-3404, and amendments thereto.

15 ~~(aa)~~(27) The licensee has knowingly submitted any misleading,
16 deceptive, untrue or fraudulent representation on a claim form, bill or
17 statement.

18 ~~(bb)~~(28) The licensee as the supervising physician for a physician
19 assistant has failed to adequately direct and supervise the physician
20 assistant in accordance with the physician assistant licensure act or rules
21 and regulations adopted under such act.

22 ~~(ee)~~(29) The licensee has assisted suicide in violation of K.S.A. 21-
23 3406, prior to its repeal, or K.S.A. 2022 Supp. 21-5407, and amendments
24 thereto, as established by any of the following:

25 ~~(+)~~(A) A copy of the record of criminal conviction or plea of guilty
26 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.
27 2022 Supp. 21-5407, and amendments thereto.

28 ~~(=)~~(B) A copy of the record of a judgment of contempt of court for
29 violating an injunction issued under K.S.A. 60-4404, and amendments
30 thereto.

31 ~~(3)~~(C) A copy of the record of a judgment assessing damages under
32 K.S.A. 60-4405, and amendments thereto.

33 ~~(dd)~~(30) The licensee has given a worthless check or stopped
34 payment on a debit or credit card for fees or moneys legally due to the
35 board.

36 ~~(ee)~~(31) The licensee has knowingly or negligently abandoned
37 medical records.

38 ***(b) The board shall not revoke, suspend or limit a physician's license,
39 publicly censure a physician or place a physician's license under
40 probationary conditions upon any of the following:***

41 ***(1) The physician, after diagnosing a patient with a qualifying
42 medical condition or after knowing that a patient has been validly
43 diagnosed with a qualifying medical condition by a healthcare provider:***

1 (A) *Advised the patient about the possible benefits and risks of using*
 2 *medical cannabis consumer products;*

3 (B) *advised the patient that using medical cannabis consumer*
 4 *products may mitigate the symptoms of the patient's qualifying medical*
 5 *condition; or*

6 (C) *issued to the patient a valid, written certification in accordance*
 7 *with section 3, and amendments thereto;*

8 (2) *the physician uses or has used medical cannabis consumer*
 9 *products in accordance with the veterans first medical cannabis act; or*

10 (3) *the physician acts or has acted as a patient's primary caregiver in*
 11 *accordance with the veterans first medical cannabis act.*

12 Sec. 24. K.S.A. 65-28a05 is hereby amended to read as follows: 65-
 13 28a05. (a) A licensee's license may be revoked, suspended or limited, or
 14 the licensee may be publicly or privately censured, or an application for a
 15 license or for reinstatement of a license may be denied upon a finding of
 16 the existence of any of the following grounds:

17 ~~(a)~~(1) The licensee has committed an act of unprofessional conduct as
 18 defined by rules and regulations adopted by the board;

19 ~~(b)~~(2) the licensee has obtained a license by means of fraud,
 20 misrepresentations or concealment of material facts;

21 ~~(c)~~(3) the licensee has committed an act of professional incompetency
 22 as defined by rules and regulations adopted by the board;

23 ~~(d)~~(4) the licensee has been convicted of a felony;

24 ~~(e)~~(5) the licensee has violated any provision of this act, and
 25 amendments thereto;

26 ~~(f)~~(6) the licensee has violated any lawful order or rule and regulation
 27 of the board;

28 ~~(g)~~(7) the licensee has been found to be mentally ill, disabled, not
 29 guilty by reason of insanity, not guilty because the licensee suffers from a
 30 mental disease or defect or is incompetent to stand trial by a court of
 31 competent jurisdiction;

32 ~~(h)~~(8) the licensee has violated a federal law or regulation relating to
 33 controlled substances;

34 ~~(i)~~(9) the licensee has failed to report to the board any adverse action
 35 taken against the licensee by another state or licensing jurisdiction, a peer
 36 review body, a health care facility, a professional association or society, a
 37 governmental agency, by a law enforcement agency or a court for acts or
 38 conduct similar to acts or conduct which would constitute grounds for
 39 disciplinary action under this section;

40 ~~(j)~~(10) the licensee has surrendered a license or authorization to
 41 practice as a physician assistant in another state or jurisdiction, has
 42 surrendered the authority to utilize controlled substances issued by any
 43 state or federal agency, has agreed to a limitation to or restriction of

1 privileges at any medical care facility or has surrendered the licensee's
2 membership on any professional staff or in any professional association or
3 society while under investigation for acts or conduct similar to acts or
4 conduct which would constitute grounds for disciplinary action under this
5 section;

6 ~~(k)~~(11) the licensee has failed to report to the board the surrender of
7 the licensee's license or authorization to practice as a physician assistant in
8 another state or jurisdiction or the surrender of the licensee's membership
9 on any professional staff or in any professional association or society
10 while under investigation for acts or conduct similar to acts or conduct
11 which would constitute grounds for disciplinary action under this section;

12 ~~(h)~~(12) the licensee has an adverse judgment, award or settlement
13 against the licensee resulting from a medical liability claim related to acts
14 or conduct similar to acts or conduct which would constitute grounds for
15 disciplinary action under this section;

16 ~~(m)~~(13) the licensee has failed to report to the board any adverse
17 judgment, settlement or award against the licensee resulting from a
18 medical malpractice liability claim related to acts or conduct similar to acts
19 or conduct which would constitute grounds for disciplinary action under
20 this section;

21 ~~(n)~~(14) the licensee's ability to practice with reasonable skill and
22 safety to patients is impaired by reason of physical or mental illness, or
23 condition or use of alcohol, drugs or controlled substances. All
24 information, reports, findings and other records relating to impairment
25 shall be confidential and not subject to discovery by or release to any
26 person or entity outside of a board proceeding;

27 ~~(o)~~(15) the licensee has exceeded or has acted outside the scope of
28 authority given the physician assistant by the supervising physician or by
29 this act; or

30 ~~(p)~~(16) the licensee has assisted suicide in violation of K.S.A. 21-
31 3406, prior to its repeal, or K.S.A. 2022 Supp. 21-5407, and amendments
32 thereto, as established by any of the following:

33 ~~(1)~~(A) A copy of the record of criminal conviction or plea of guilty
34 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.
35 2022 Supp. 21-5407, and amendments thereto.

36 ~~(2)~~(B) A copy of the record of a judgment of contempt of court for
37 violating an injunction issued under K.S.A. 60-4404, and amendments
38 thereto.

39 ~~(3)~~(C) A copy of the record of a judgment assessing damages under
40 K.S.A. 60-4405, and amendments thereto.

41 *(b) The board shall not revoke, suspend or limit a physician*
42 *assistant's license, publicly or privately censure a physician assistant or*
43 *deny an application for a license or for reinstatement of a license upon*

1 any of the following:

2 (1) The physician assistant, after diagnosing a patient with a
3 qualifying medical condition or after knowing that a patient has been
4 validly diagnosed with a qualifying medical condition by a healthcare
5 provider:

6 (A) Advised the patient about the possible benefits and risks of using
7 medical cannabis consumer products;

8 (B) advised the patient that using medical cannabis consumer
9 products may mitigate the symptoms of the patient's qualifying medical
10 condition; or

11 (C) issued to the patient a valid, written certification in accordance
12 with section 3, and amendments thereto;

13 (2) the physician assistant uses or has used medical cannabis
14 consumer products in accordance with the veterans first medical cannabis
15 act; or

16 (3) the physician assistant acts or has acted as a person's primary
17 caregiver in accordance with the veterans first medical cannabis act.

18 Sec. 25. K.S.A. 65-28b08 is hereby amended to read as follows: 65-
19 28b08. (a) The board may deny, revoke, limit or suspend any license or
20 authorization issued to a certified nurse-midwife to engage in the
21 independent practice of midwifery that is issued by the board or applied
22 for under this act, or may publicly censure a licensee or holder of a
23 temporary permit or authorization, if the applicant or licensee is found
24 after a hearing:

25 (1) To be guilty of fraud or deceit while engaging in the independent
26 practice of midwifery or in procuring or attempting to procure a license to
27 engage in the independent practice of midwifery;

28 (2) to have been found guilty of a felony or to have been found guilty
29 of a misdemeanor involving an illegal drug offense unless the applicant or
30 licensee establishes sufficient rehabilitation to warrant the public trust,
31 except that notwithstanding K.S.A. 74-120, and amendments thereto, no
32 license or authorization to practice and engage in the independent practice
33 of midwifery shall be granted to a person with a felony conviction for a
34 crime against persons as specified in article 34 of chapter 21 of the Kansas
35 Statutes Annotated, prior to its repeal, or article 54 of chapter 21 of the
36 Kansas Statutes Annotated, and amendments thereto, or K.S.A. 2022 Supp.
37 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

38 (3) to have committed an act of professional incompetence as defined
39 in subsection (c);

40 (4) to be unable to practice the healing arts with reasonable skill and
41 safety by reason of impairment due to physical or mental illness or
42 condition or use of alcohol, drugs or controlled substances. All
43 information, reports, findings and other records relating to impairment

1 shall be confidential and not subject to discovery or release to any person
2 or entity outside of a board proceeding. The provisions of this paragraph
3 providing confidentiality of records shall expire on July 1, 2022, unless the
4 legislature reviews and reenacts such provisions pursuant to K.S.A. 45-
5 229, and amendments thereto, prior to July 1, 2022;

6 (5) to be a person who has been adjudged in need of a guardian or
7 conservator, or both, under the act for obtaining a guardian or conservator,
8 or both, and who has not been restored to capacity under that act;

9 (6) to be guilty of unprofessional conduct as defined by rules and
10 regulations of the board;

11 (7) to have willfully or repeatedly violated the provisions of the
12 Kansas nurse practice act or any rules and regulations adopted pursuant to
13 that act;

14 (8) to have a license to practice nursing as a registered nurse or as a
15 practical nurse denied, revoked, limited or suspended, or to have been
16 publicly or privately censured, by a licensing authority of another state,
17 agency of the United States government, territory of the United States or
18 country, or to have other disciplinary action taken against the applicant or
19 licensee by a licensing authority of another state, agency of the United
20 States government, territory of the United States or country. A certified
21 copy of the record or order of public or private censure, denial, suspension,
22 limitation, revocation or other disciplinary action of the licensing authority
23 of another state, agency of the United States government, territory of the
24 United States or country shall constitute prima facie evidence of such a
25 fact for purposes of this paragraph; or

26 (9) to have assisted suicide in violation of K.S.A. 21-3406, prior to its
27 repeal, or K.S.A. 2022 Supp. 21-5407, and amendments thereto, as
28 established by any of the following:

29 (A) A copy of the record of criminal conviction or plea of guilty to a
30 felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2022
31 Supp. 21-5407, and amendments thereto;

32 (B) a copy of the record of a judgment of contempt of court for
33 violating an injunction issued under K.S.A. 60-4404, and amendments
34 thereto; or

35 (C) a copy of the record of a judgment assessing damages under
36 K.S.A. 60-4405, and amendments thereto.

37 (b) No person shall be excused from testifying in any proceedings
38 before the board under this act or in any civil proceedings under this act
39 before a court of competent jurisdiction on the ground that such testimony
40 may incriminate the person testifying, but such testimony shall not be used
41 against the person for the prosecution of any crime under the laws of this
42 state, except the crime of perjury as defined in K.S.A. 2022 Supp. 21-
43 5903, and amendments thereto.

1 (c) As used in this section, "professional incompetency" means:

2 (1) One or more instances involving failure to adhere to the
3 applicable standard of care to a degree ~~which~~ *that* constitutes gross
4 negligence, as determined by the board;

5 (2) repeated instances involving failure to adhere to the applicable
6 standard of care to a degree ~~which~~ *that* constitutes ordinary negligence, as
7 determined by the board; or

8 (3) a pattern of practice or other behavior ~~which~~ *that* demonstrates a
9 manifest incapacity or incompetence to engage in the independent practice
10 of midwifery.

11 (d) The board, upon request, shall receive from the Kansas bureau of
12 investigation such criminal history record information relating to arrests
13 and criminal convictions, as necessary, for the purpose of determining
14 initial and continuing qualifications of licensees and applicants for
15 licensure by the board.

16 (e) ~~The provisions of this section shall become effective on January 1,~~
17 ~~2017~~ *The board shall not deny, revoke, limit or suspend any license or*
18 *authorization issued to a certified nurse-midwife or publicly censure a*
19 *certified nurse-midwife upon any of the following:*

20 (1) *The certified nurse-midwife, after diagnosing a patient with a*
21 *qualifying medical condition or after knowing that a patient has been*
22 *validly diagnosed with a qualifying medical condition by a healthcare*
23 *provider:*

24 (A) *Advised the patient about the possible benefits and risks of using*
25 *medical cannabis consumer products;*

26 (B) *advised the patient that using medical cannabis consumer*
27 *products may mitigate the symptoms of the patient's qualifying medical*
28 *condition; or*

29 (C) *issued to the patient a valid, written certification under section 3,*
30 *and amendments thereto;*

31 (2) *the certified nurse-midwife uses or has used medical cannabis*
32 *consumer products in accordance with the veterans first medical cannabis*
33 *act; or*

34 (3) *the certified nurse-midwife acts or has acted as a person's*
35 *primary caregiver in accordance with the veterans first medical cannabis*
36 *act.*

37 Sec. 26. K.S.A. 2022 Supp. 79-3606 is hereby amended to read as
38 follows: 79-3606. The following shall be exempt from the tax imposed by
39 this act:

40 (a) All sales of motor-vehicle fuel or other articles upon which a sales
41 or excise tax has been paid, not subject to refund, under the laws of this
42 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-
43 3301, and amendments thereto, including consumable material for such

1 electronic cigarettes, cereal malt beverages and malt products as defined
2 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
3 malt syrup and malt extract, that is not subject to taxation under the
4 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
5 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed
6 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
7 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
8 thereto, and gross receipts from regulated sports contests taxed pursuant to
9 the Kansas professional regulated sports act, and amendments thereto;

10 (b) all sales of tangible personal property or service, including the
11 renting and leasing of tangible personal property, purchased directly by the
12 state of Kansas, a political subdivision thereof, other than a school or
13 educational institution, or purchased by a public or private nonprofit
14 hospital, public hospital authority, nonprofit blood, tissue or organ bank or
15 nonprofit integrated community care organization and used exclusively for
16 state, political subdivision, hospital, public hospital authority, nonprofit
17 blood, tissue or organ bank or nonprofit integrated community care
18 organization purposes, except when: (1) Such state, hospital or public
19 hospital authority is engaged or proposes to engage in any business
20 specifically taxable under the provisions of this act and such items of
21 tangible personal property or service are used or proposed to be used in
22 such business; or (2) such political subdivision is engaged or proposes to
23 engage in the business of furnishing gas, electricity or heat to others and
24 such items of personal property or service are used or proposed to be used
25 in such business;

26 (c) all sales of tangible personal property or services, including the
27 renting and leasing of tangible personal property, purchased directly by a
28 public or private elementary or secondary school or public or private
29 nonprofit educational institution and used primarily by such school or
30 institution for nonsectarian programs and activities provided or sponsored
31 by such school or institution or in the erection, repair or enlargement of
32 buildings to be used for such purposes. The exemption herein provided
33 shall not apply to erection, construction, repair, enlargement or equipment
34 of buildings used primarily for human habitation, except that such
35 exemption shall apply to the erection, construction, repair, enlargement or
36 equipment of buildings used for human habitation by the cerebral palsy
37 research foundation of Kansas located in Wichita, Kansas, and multi
38 community diversified services, incorporated, located in McPherson,
39 Kansas;

40 (d) all sales of tangible personal property or services purchased by a
41 contractor for the purpose of constructing, equipping, reconstructing,
42 maintaining, repairing, enlarging, furnishing or remodeling facilities for
43 any public or private nonprofit hospital or public hospital authority, public

1 or private elementary or secondary school, a public or private nonprofit
2 educational institution, state correctional institution including a privately
3 constructed correctional institution contracted for state use and ownership,
4 that would be exempt from taxation under the provisions of this act if
5 purchased directly by such hospital or public hospital authority, school,
6 educational institution or a state correctional institution; and all sales of
7 tangible personal property or services purchased by a contractor for the
8 purpose of constructing, equipping, reconstructing, maintaining, repairing,
9 enlarging, furnishing or remodeling facilities for any political subdivision
10 of the state or district described in subsection (s), the total cost of which is
11 paid from funds of such political subdivision or district and that would be
12 exempt from taxation under the provisions of this act if purchased directly
13 by such political subdivision or district. Nothing in this subsection or in
14 the provisions of K.S.A. 12-3418, and amendments thereto, shall be
15 deemed to exempt the purchase of any construction machinery, equipment
16 or tools used in the constructing, equipping, reconstructing, maintaining,
17 repairing, enlarging, furnishing or remodeling facilities for any political
18 subdivision of the state or any such district. As used in this subsection,
19 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
20 political subdivision" shall mean general tax revenues, the proceeds of any
21 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
22 purpose of constructing, equipping, reconstructing, repairing, enlarging,
23 furnishing or remodeling facilities that are to be leased to the donor. When
24 any political subdivision of the state, district described in subsection (s),
25 public or private nonprofit hospital or public hospital authority, public or
26 private elementary or secondary school, public or private nonprofit
27 educational institution, state correctional institution including a privately
28 constructed correctional institution contracted for state use and ownership
29 shall contract for the purpose of constructing, equipping, reconstructing,
30 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
31 shall obtain from the state and furnish to the contractor an exemption
32 certificate for the project involved, and the contractor may purchase
33 materials for incorporation in such project. The contractor shall furnish the
34 number of such certificate to all suppliers from whom such purchases are
35 made, and such suppliers shall execute invoices covering the same bearing
36 the number of such certificate. Upon completion of the project the
37 contractor shall furnish to the political subdivision, district described in
38 subsection (s), hospital or public hospital authority, school, educational
39 institution or department of corrections concerned a sworn statement, on a
40 form to be provided by the director of taxation, that all purchases so made
41 were entitled to exemption under this subsection. As an alternative to the
42 foregoing procedure, any such contracting entity may apply to the
43 secretary of revenue for agent status for the sole purpose of issuing and

1 furnishing project exemption certificates to contractors pursuant to rules
2 and regulations adopted by the secretary establishing conditions and
3 standards for the granting and maintaining of such status. All invoices
4 shall be held by the contractor for a period of five years and shall be
5 subject to audit by the director of taxation. If any materials purchased
6 under such a certificate are found not to have been incorporated in the
7 building or other project or not to have been returned for credit or the sales
8 or compensating tax otherwise imposed upon such materials that will not
9 be so incorporated in the building or other project reported and paid by
10 such contractor to the director of taxation not later than the 20th day of the
11 month following the close of the month in which it shall be determined
12 that such materials will not be used for the purpose for which such
13 certificate was issued, the political subdivision, district described in
14 subsection (s), hospital or public hospital authority, school, educational
15 institution or the contractor contracting with the department of corrections
16 for a correctional institution concerned shall be liable for tax on all
17 materials purchased for the project, and upon payment thereof it may
18 recover the same from the contractor together with reasonable attorney
19 fees. Any contractor or any agent, employee or subcontractor thereof, who
20 shall use or otherwise dispose of any materials purchased under such a
21 certificate for any purpose other than that for which such a certificate is
22 issued without the payment of the sales or compensating tax otherwise
23 imposed upon such materials, shall be guilty of a misdemeanor and, upon
24 conviction therefor, shall be subject to the penalties provided for in K.S.A.
25 79-3615(h), and amendments thereto;

26 (e) all sales of tangible personal property or services purchased by a
27 contractor for the erection, repair or enlargement of buildings or other
28 projects for the government of the United States, its agencies or
29 instrumentalities, that would be exempt from taxation if purchased directly
30 by the government of the United States, its agencies or instrumentalities.
31 When the government of the United States, its agencies or
32 instrumentalities shall contract for the erection, repair, or enlargement of
33 any building or other project, it shall obtain from the state and furnish to
34 the contractor an exemption certificate for the project involved, and the
35 contractor may purchase materials for incorporation in such project. The
36 contractor shall furnish the number of such certificates to all suppliers
37 from whom such purchases are made, and such suppliers shall execute
38 invoices covering the same bearing the number of such certificate. Upon
39 completion of the project the contractor shall furnish to the government of
40 the United States, its agencies or instrumentalities concerned a sworn
41 statement, on a form to be provided by the director of taxation, that all
42 purchases so made were entitled to exemption under this subsection. As an
43 alternative to the foregoing procedure, any such contracting entity may

1 apply to the secretary of revenue for agent status for the sole purpose of
2 issuing and furnishing project exemption certificates to contractors
3 pursuant to rules and regulations adopted by the secretary establishing
4 conditions and standards for the granting and maintaining of such status.
5 All invoices shall be held by the contractor for a period of five years and
6 shall be subject to audit by the director of taxation. Any contractor or any
7 agent, employee or subcontractor thereof, who shall use or otherwise
8 dispose of any materials purchased under such a certificate for any purpose
9 other than that for which such a certificate is issued without the payment
10 of the sales or compensating tax otherwise imposed upon such materials,
11 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
12 subject to the penalties provided for in K.S.A. 79-3615(h), and
13 amendments thereto;

14 (f) tangible personal property purchased by a railroad or public utility
15 for consumption or movement directly and immediately in interstate
16 commerce;

17 (g) sales of aircraft including remanufactured and modified aircraft
18 sold to persons using directly or through an authorized agent such aircraft
19 as certified or licensed carriers of persons or property in interstate or
20 foreign commerce under authority of the laws of the United States or any
21 foreign government or sold to any foreign government or agency or
22 instrumentality of such foreign government and all sales of aircraft for use
23 outside of the United States and sales of aircraft repair, modification and
24 replacement parts and sales of services employed in the remanufacture,
25 modification and repair of aircraft;

26 (h) all rentals of nonsectarian textbooks by public or private
27 elementary or secondary schools;

28 (i) the lease or rental of all films, records, tapes, or any type of sound
29 or picture transcriptions used by motion picture exhibitors;

30 (j) meals served without charge or food used in the preparation of
31 such meals to employees of any restaurant, eating house, dining car, hotel,
32 drugstore or other place where meals or drinks are regularly sold to the
33 public if such employees' duties are related to the furnishing or sale of
34 such meals or drinks;

35 (k) any motor vehicle, semitrailer or pole trailer, as such terms are
36 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and
37 delivered in this state to a bona fide resident of another state, which motor
38 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based
39 in this state and which vehicle, semitrailer, pole trailer or aircraft will not
40 remain in this state more than 10 days;

41 (l) all isolated or occasional sales of tangible personal property,
42 services, substances or things, except isolated or occasional sale of motor
43 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and

1 amendments thereto;

2 (m) all sales of tangible personal property that become an ingredient
3 or component part of tangible personal property or services produced,
4 manufactured or compounded for ultimate sale at retail within or without
5 the state of Kansas; and any such producer, manufacturer or compounder
6 may obtain from the director of taxation and furnish to the supplier an
7 exemption certificate number for tangible personal property for use as an
8 ingredient or component part of the property or services produced,
9 manufactured or compounded;

10 (n) all sales of tangible personal property that is consumed in the
11 production, manufacture, processing, mining, drilling, refining or
12 compounding of tangible personal property, the treating of by-products or
13 wastes derived from any such production process, the providing of
14 services or the irrigation of crops for ultimate sale at retail within or
15 without the state of Kansas; and any purchaser of such property may
16 obtain from the director of taxation and furnish to the supplier an
17 exemption certificate number for tangible personal property for
18 consumption in such production, manufacture, processing, mining,
19 drilling, refining, compounding, treating, irrigation and in providing such
20 services;

21 (o) all sales of animals, fowl and aquatic plants and animals, the
22 primary purpose of which is use in agriculture or aquaculture, as defined in
23 K.S.A. 47-1901, and amendments thereto, the production of food for
24 human consumption, the production of animal, dairy, poultry or aquatic
25 plant and animal products, fiber or fur, or the production of offspring for
26 use for any such purpose or purposes;

27 (p) all sales of drugs dispensed pursuant to a prescription order by a
28 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
29 1626, and amendments thereto. As used in this subsection, "drug" means a
30 compound, substance or preparation and any component of a compound,
31 substance or preparation, other than food and food ingredients, dietary
32 supplements or alcoholic beverages, recognized in the official United
33 States pharmacopeia, official homeopathic pharmacopoeia of the United
34 States or official national formulary, and supplement to any of them,
35 intended for use in the diagnosis, cure, mitigation, treatment or prevention
36 of disease or intended to affect the structure or any function of the body,
37 except that for taxable years commencing after December 31, 2013, this
38 subsection shall not apply to any sales of drugs used in the performance or
39 induction of an abortion, as defined in K.S.A. 65-6701, and amendments
40 thereto;

41 (q) all sales of insulin dispensed by a person licensed by the state
42 board of pharmacy to a person for treatment of diabetes at the direction of
43 a person licensed to practice medicine by the state board of healing arts;

1 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
2 enteral feeding systems, prosthetic devices and mobility enhancing
3 equipment prescribed in writing by a person licensed to practice the
4 healing arts, dentistry or optometry, and in addition to such sales, all sales
5 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,
6 and repair and replacement parts therefor, including batteries, by a person
7 licensed in the practice of dispensing and fitting hearing aids pursuant to
8 the provisions of K.S.A. 74-5808, and amendments thereto. For the
9 purposes of this subsection: (1) "Mobility enhancing equipment" means
10 equipment including repair and replacement parts to same, but does not
11 include durable medical equipment, which is primarily and customarily
12 used to provide or increase the ability to move from one place to another
13 and which is appropriate for use either in a home or a motor vehicle; is not
14 generally used by persons with normal mobility; and does not include any
15 motor vehicle or equipment on a motor vehicle normally provided by a
16 motor vehicle manufacturer; and (2) "prosthetic device" means a
17 replacement, corrective or supportive device including repair and
18 replacement parts for same worn on or in the body to artificially replace a
19 missing portion of the body, prevent or correct physical deformity or
20 malfunction or support a weak or deformed portion of the body;

21 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,
22 all sales of tangible personal property or services purchased directly or
23 indirectly by a groundwater management district organized or operating
24 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,
25 by a rural water district organized or operating under the authority of
26 K.S.A. 82a-612, and amendments thereto, or by a water supply district
27 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-
28 3522 et seq. or 19-3545, and amendments thereto, which property or
29 services are used in the construction activities, operation or maintenance of
30 the district;

31 (t) all sales of farm machinery and equipment or aquaculture
32 machinery and equipment, repair and replacement parts therefor and
33 services performed in the repair and maintenance of such machinery and
34 equipment. For the purposes of this subsection the term "farm machinery
35 and equipment or aquaculture machinery and equipment" shall include a
36 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
37 thereto, and is equipped with a bed or cargo box for hauling materials, and
38 shall also include machinery and equipment used in the operation of
39 Christmas tree farming but shall not include any passenger vehicle, truck,
40 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as
41 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm
42 machinery and equipment" includes precision farming equipment that is
43 portable or is installed or purchased to be installed on farm machinery and

1 equipment. "Precision farming equipment" includes the following items
2 used only in computer-assisted farming, ranching or aquaculture
3 production operations: Soil testing sensors, yield monitors, computers,
4 monitors, software, global positioning and mapping systems, guiding
5 systems, modems, data communications equipment and any necessary
6 mounting hardware, wiring and antennas. Each purchaser of farm
7 machinery and equipment or aquaculture machinery and equipment
8 exempted herein must certify in writing on the copy of the invoice or sales
9 ticket to be retained by the seller that the farm machinery and equipment
10 or aquaculture machinery and equipment purchased will be used only in
11 farming, ranching or aquaculture production. Farming or ranching shall
12 include the operation of a feedlot and farm and ranch work for hire and the
13 operation of a nursery;

14 (u) all leases or rentals of tangible personal property used as a
15 dwelling if such tangible personal property is leased or rented for a period
16 of more than 28 consecutive days;

17 (v) all sales of tangible personal property to any contractor for use in
18 preparing meals for delivery to homebound elderly persons over 60 years
19 of age and to homebound disabled persons or to be served at a group-
20 sitting at a location outside of the home to otherwise homebound elderly
21 persons over 60 years of age and to otherwise homebound disabled
22 persons, as all or part of any food service project funded in whole or in
23 part by government or as part of a private nonprofit food service project
24 available to all such elderly or disabled persons residing within an area of
25 service designated by the private nonprofit organization, and all sales of
26 tangible personal property for use in preparing meals for consumption by
27 indigent or homeless individuals whether or not such meals are consumed
28 at a place designated for such purpose, and all sales of food products by or
29 on behalf of any such contractor or organization for any such purpose;

30 (w) all sales of natural gas, electricity, heat and water delivered
31 through mains, lines or pipes: (1) To residential premises for
32 noncommercial use by the occupant of such premises; (2) for agricultural
33 use and also, for such use, all sales of propane gas; (3) for use in the
34 severing of oil; and (4) to any property which is exempt from property
35 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this
36 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),
37 and amendments thereto. For all sales of natural gas, electricity and heat
38 delivered through mains, lines or pipes pursuant to the provisions of
39 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire
40 on December 31, 2005;

41 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
42 for the production of heat or lighting for noncommercial use of an
43 occupant of residential premises occurring prior to January 1, 2006;

1 (y) all sales of materials and services used in the repairing, servicing,
2 altering, maintaining, manufacturing, remanufacturing, or modification of
3 railroad rolling stock for use in interstate or foreign commerce under
4 authority of the laws of the United States;

5 (z) all sales of tangible personal property and services purchased
6 directly by a port authority or by a contractor therefor as provided by the
7 provisions of K.S.A. 12-3418, and amendments thereto;

8 (aa) all sales of materials and services applied to equipment that is
9 transported into the state from without the state for repair, service,
10 alteration, maintenance, remanufacture or modification and that is
11 subsequently transported outside the state for use in the transmission of
12 liquids or natural gas by means of pipeline in interstate or foreign
13 commerce under authority of the laws of the United States;

14 (bb) all sales of used mobile homes or manufactured homes. As used
15 in this subsection: (1) "Mobile homes" and "manufactured homes" mean
16 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)
17 "sales of used mobile homes or manufactured homes" means sales other
18 than the original retail sale thereof;

19 (cc) all sales of tangible personal property or services purchased prior
20 to January 1, 2012, except as otherwise provided, for the purpose of and in
21 conjunction with constructing, reconstructing, enlarging or remodeling a
22 business or retail business that meets the requirements established in
23 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
24 machinery and equipment purchased for installation at any such business
25 or retail business, and all sales of tangible personal property or services
26 purchased on or after January 1, 2012, for the purpose of and in
27 conjunction with constructing, reconstructing, enlarging or remodeling a
28 business that meets the requirements established in K.S.A. 74-50,115(e),
29 and amendments thereto, and the sale and installation of machinery and
30 equipment purchased for installation at any such business. When a person
31 shall contract for the construction, reconstruction, enlargement or
32 remodeling of any such business or retail business, such person shall
33 obtain from the state and furnish to the contractor an exemption certificate
34 for the project involved, and the contractor may purchase materials,
35 machinery and equipment for incorporation in such project. The contractor
36 shall furnish the number of such certificates to all suppliers from whom
37 such purchases are made, and such suppliers shall execute invoices
38 covering the same bearing the number of such certificate. Upon
39 completion of the project the contractor shall furnish to the owner of the
40 business or retail business a sworn statement, on a form to be provided by
41 the director of taxation, that all purchases so made were entitled to
42 exemption under this subsection. All invoices shall be held by the
43 contractor for a period of five years and shall be subject to audit by the

1 director of taxation. Any contractor or any agent, employee or
2 subcontractor thereof, who shall use or otherwise dispose of any materials,
3 machinery or equipment purchased under such a certificate for any
4 purpose other than that for which such a certificate is issued without the
5 payment of the sales or compensating tax otherwise imposed thereon, shall
6 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
7 to the penalties provided for in K.S.A. 79-3615(h), and amendments
8 thereto. As used in this subsection, "business" and "retail business" mean
9 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project
10 exemption certificates that have been previously issued under this
11 subsection by the department of revenue pursuant to K.S.A. 74-50,115,
12 and amendments thereto, but not including K.S.A. 74-50,115(e), and
13 amendments thereto, prior to January 1, 2012, and have not expired will be
14 effective for the term of the project or two years from the effective date of
15 the certificate, whichever occurs earlier. Project exemption certificates that
16 are submitted to the department of revenue prior to January 1, 2012, and
17 are found to qualify will be issued a project exemption certificate that will
18 be effective for a two-year period or for the term of the project, whichever
19 occurs earlier;

20 (dd) all sales of tangible personal property purchased with food
21 stamps issued by the United States department of agriculture;

22 (ee) all sales of lottery tickets and shares made as part of a lottery
23 operated by the state of Kansas;

24 (ff) on and after July 1, 1988, all sales of new mobile homes or
25 manufactured homes to the extent of 40% of the gross receipts, determined
26 without regard to any trade-in allowance, received from such sale. As used
27 in this subsection, "mobile homes" and "manufactured homes" mean the
28 same as defined in K.S.A. 58-4202, and amendments thereto;

29 (gg) all sales of tangible personal property purchased in accordance
30 with vouchers issued pursuant to the federal special supplemental food
31 program for women, infants and children;

32 (hh) all sales of medical supplies and equipment, including durable
33 medical equipment, purchased directly by a nonprofit skilled nursing home
34 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
35 and amendments thereto, for the purpose of providing medical services to
36 residents thereof. This exemption shall not apply to tangible personal
37 property customarily used for human habitation purposes. As used in this
38 subsection, "durable medical equipment" means equipment including
39 repair and replacement parts for such equipment, that can withstand
40 repeated use, is primarily and customarily used to serve a medical purpose,
41 generally is not useful to a person in the absence of illness or injury and is
42 not worn in or on the body, but does not include mobility enhancing
43 equipment as defined in subsection (r), oxygen delivery equipment, kidney

1 dialysis equipment or enteral feeding systems;

2 (ii) all sales of tangible personal property purchased directly by a
3 nonprofit organization for nonsectarian comprehensive multidiscipline
4 youth development programs and activities provided or sponsored by such
5 organization, and all sales of tangible personal property by or on behalf of
6 any such organization. This exemption shall not apply to tangible personal
7 property customarily used for human habitation purposes;

8 (jj) all sales of tangible personal property or services, including the
9 renting and leasing of tangible personal property, purchased directly on
10 behalf of a community-based facility for people with intellectual disability
11 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
12 amendments thereto, and licensed in accordance with the provisions of
13 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible
14 personal property or services purchased by contractors during the time
15 period from July, 2003, through June, 2006, for the purpose of
16 constructing, equipping, maintaining or furnishing a new facility for a
17 community-based facility for people with intellectual disability or mental
18 health center located in Riverton, Cherokee County, Kansas, that would
19 have been eligible for sales tax exemption pursuant to this subsection if
20 purchased directly by such facility or center. This exemption shall not
21 apply to tangible personal property customarily used for human habitation
22 purposes;

23 (kk) (1) (A) all sales of machinery and equipment that are used in this
24 state as an integral or essential part of an integrated production operation
25 by a manufacturing or processing plant or facility;

26 (B) all sales of installation, repair and maintenance services
27 performed on such machinery and equipment; and

28 (C) all sales of repair and replacement parts and accessories
29 purchased for such machinery and equipment.

30 (2) For purposes of this subsection:

31 (A) "Integrated production operation" means an integrated series of
32 operations engaged in at a manufacturing or processing plant or facility to
33 process, transform or convert tangible personal property by physical,
34 chemical or other means into a different form, composition or character
35 from that in which it originally existed. Integrated production operations
36 shall include: (i) Production line operations, including packaging
37 operations; (ii) preproduction operations to handle, store and treat raw
38 materials; (iii) post production handling, storage, warehousing and
39 distribution operations; and (iv) waste, pollution and environmental
40 control operations, if any;

41 (B) "production line" means the assemblage of machinery and
42 equipment at a manufacturing or processing plant or facility where the
43 actual transformation or processing of tangible personal property occurs;

1 (C) "manufacturing or processing plant or facility" means a single,
2 fixed location owned or controlled by a manufacturing or processing
3 business that consists of one or more structures or buildings in a
4 contiguous area where integrated production operations are conducted to
5 manufacture or process tangible personal property to be ultimately sold at
6 retail. Such term shall not include any facility primarily operated for the
7 purpose of conveying or assisting in the conveyance of natural gas,
8 electricity, oil or water. A business may operate one or more manufacturing
9 or processing plants or facilities at different locations to manufacture or
10 process a single product of tangible personal property to be ultimately sold
11 at retail;

12 (D) "manufacturing or processing business" means a business that
13 utilizes an integrated production operation to manufacture, process,
14 fabricate, finish or assemble items for wholesale and retail distribution as
15 part of what is commonly regarded by the general public as an industrial
16 manufacturing or processing operation or an agricultural commodity
17 processing operation. (i) Industrial manufacturing or processing operations
18 include, by way of illustration but not of limitation, the fabrication of
19 automobiles, airplanes, machinery or transportation equipment, the
20 fabrication of metal, plastic, wood or paper products, electricity power
21 generation, water treatment, petroleum refining, chemical production,
22 wholesale bottling, newspaper printing, ready mixed concrete production,
23 and the remanufacturing of used parts for wholesale or retail sale. Such
24 processing operations shall include operations at an oil well, gas well,
25 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
26 sand or gravel that has been extracted from the earth is cleaned, separated,
27 crushed, ground, milled, screened, washed or otherwise treated or prepared
28 before its transmission to a refinery or before any other wholesale or retail
29 distribution. (ii) Agricultural commodity processing operations include, by
30 way of illustration but not of limitation, meat packing, poultry slaughtering
31 and dressing, processing and packaging farm and dairy products in sealed
32 containers for wholesale and retail distribution, feed grinding, grain
33 milling, frozen food processing, and grain handling, cleaning, blending,
34 fumigation, drying and aeration operations engaged in by grain elevators
35 or other grain storage facilities. (iii) Manufacturing or processing
36 businesses do not include, by way of illustration but not of limitation,
37 nonindustrial businesses whose operations are primarily retail and that
38 produce or process tangible personal property as an incidental part of
39 conducting the retail business, such as retailers who bake, cook or prepare
40 food products in the regular course of their retail trade, grocery stores,
41 meat lockers and meat markets that butcher or dress livestock or poultry in
42 the regular course of their retail trade, contractors who alter, service, repair
43 or improve real property, and retail businesses that clean, service or

1 refurbish and repair tangible personal property for its owner;

2 (E) "repair and replacement parts and accessories" means all parts
3 and accessories for exempt machinery and equipment, including, but not
4 limited to, dies, jigs, molds, patterns and safety devices that are attached to
5 exempt machinery or that are otherwise used in production, and parts and
6 accessories that require periodic replacement such as belts, drill bits,
7 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
8 other refractory items for exempt kiln equipment used in production
9 operations;

10 (F) "primary" or "primarily" mean more than 50% of the time.

11 (3) For purposes of this subsection, machinery and equipment shall
12 be deemed to be used as an integral or essential part of an integrated
13 production operation when used to:

14 (A) Receive, transport, convey, handle, treat or store raw materials in
15 preparation of its placement on the production line;

16 (B) transport, convey, handle or store the property undergoing
17 manufacturing or processing at any point from the beginning of the
18 production line through any warehousing or distribution operation of the
19 final product that occurs at the plant or facility;

20 (C) act upon, effect, promote or otherwise facilitate a physical change
21 to the property undergoing manufacturing or processing;

22 (D) guide, control or direct the movement of property undergoing
23 manufacturing or processing;

24 (E) test or measure raw materials, the property undergoing
25 manufacturing or processing or the finished product, as a necessary part of
26 the manufacturer's integrated production operations;

27 (F) plan, manage, control or record the receipt and flow of inventories
28 of raw materials, consumables and component parts, the flow of the
29 property undergoing manufacturing or processing and the management of
30 inventories of the finished product;

31 (G) produce energy for, lubricate, control the operating of or
32 otherwise enable the functioning of other production machinery and
33 equipment and the continuation of production operations;

34 (H) package the property being manufactured or processed in a
35 container or wrapping in which such property is normally sold or
36 transported;

37 (I) transmit or transport electricity, coke, gas, water, steam or similar
38 substances used in production operations from the point of generation, if
39 produced by the manufacturer or processor at the plant site, to that
40 manufacturer's production operation; or, if purchased or delivered from
41 off-site, from the point where the substance enters the site of the plant or
42 facility to that manufacturer's production operations;

43 (J) cool, heat, filter, refine or otherwise treat water, steam, acid, oil,

1 solvents or other substances that are used in production operations;

2 (K) provide and control an environment required to maintain certain
3 levels of air quality, humidity or temperature in special and limited areas
4 of the plant or facility, where such regulation of temperature or humidity is
5 part of and essential to the production process;

6 (L) treat, transport or store waste or other byproducts of production
7 operations at the plant or facility; or

8 (M) control pollution at the plant or facility where the pollution is
9 produced by the manufacturing or processing operation.

10 (4) The following machinery, equipment and materials shall be
11 deemed to be exempt even though it may not otherwise qualify as
12 machinery and equipment used as an integral or essential part of an
13 integrated production operation: (A) Computers and related peripheral
14 equipment that are utilized by a manufacturing or processing business for
15 engineering of the finished product or for research and development or
16 product design; (B) machinery and equipment that is utilized by a
17 manufacturing or processing business to manufacture or rebuild tangible
18 personal property that is used in manufacturing or processing operations,
19 including tools, dies, molds, forms and other parts of qualifying machinery
20 and equipment; (C) portable plants for aggregate concrete, bulk cement
21 and asphalt including cement mixing drums to be attached to a motor
22 vehicle; (D) industrial fixtures, devices, support facilities and special
23 foundations necessary for manufacturing and production operations, and
24 materials and other tangible personal property sold for the purpose of
25 fabricating such fixtures, devices, facilities and foundations. An exemption
26 certificate for such purchases shall be signed by the manufacturer or
27 processor. If the fabricator purchases such material, the fabricator shall
28 also sign the exemption certificate; (E) a manufacturing or processing
29 business' laboratory equipment that is not located at the plant or facility,
30 but that would otherwise qualify for exemption under subsection (3)(E);
31 (F) all machinery and equipment used in surface mining activities as
32 described in K.S.A. 49-601 et seq., and amendments thereto, beginning
33 from the time a reclamation plan is filed to the acceptance of the
34 completed final site reclamation.

35 (5) "Machinery and equipment used as an integral or essential part of
36 an integrated production operation" shall not include:

37 (A) Machinery and equipment used for nonproduction purposes,
38 including, but not limited to, machinery and equipment used for plant
39 security, fire prevention, first aid, accounting, administration, record
40 keeping, advertising, marketing, sales or other related activities, plant
41 cleaning, plant communications and employee work scheduling;

42 (B) machinery, equipment and tools used primarily in maintaining
43 and repairing any type of machinery and equipment or the building and

1 plant;

2 (C) transportation, transmission and distribution equipment not
3 primarily used in a production, warehousing or material handling
4 operation at the plant or facility, including the means of conveyance of
5 natural gas, electricity, oil or water, and equipment related thereto, located
6 outside the plant or facility;

7 (D) office machines and equipment including computers and related
8 peripheral equipment not used directly and primarily to control or measure
9 the manufacturing process;

10 (E) furniture and other furnishings;

11 (F) buildings, other than exempt machinery and equipment that is
12 permanently affixed to or becomes a physical part of the building, and any
13 other part of real estate that is not otherwise exempt;

14 (G) building fixtures that are not integral to the manufacturing
15 operation, such as utility systems for heating, ventilation, air conditioning,
16 communications, plumbing or electrical;

17 (H) machinery and equipment used for general plant heating, cooling
18 and lighting;

19 (I) motor vehicles that are registered for operation on public
20 highways; or

21 (J) employee apparel, except safety and protective apparel that is
22 purchased by an employer and furnished gratuitously to employees who
23 are involved in production or research activities.

24 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings
25 of the machinery and equipment that qualify or do not qualify as an
26 integral or essential part of an integrated production operation. When
27 machinery or equipment is used as an integral or essential part of
28 production operations part of the time and for nonproduction purposes at
29 other times, the primary use of the machinery or equipment shall
30 determine whether or not such machinery or equipment qualifies for
31 exemption.

32 (7) The secretary of revenue shall adopt rules and regulations
33 necessary to administer the provisions of this subsection;

34 (II) all sales of educational materials purchased for distribution to the
35 public at no charge by a nonprofit corporation organized for the purpose of
36 encouraging, fostering and conducting programs for the improvement of
37 public health, except that for taxable years commencing after December
38 31, 2013, this subsection shall not apply to any sales of such materials
39 purchased by a nonprofit corporation which performs any abortion, as
40 defined in K.S.A. 65-6701, and amendments thereto;

41 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,
42 herbicides, germicides, pesticides and fungicides; and services, purchased
43 and used for the purpose of producing plants in order to prevent soil

1 erosion on land devoted to agricultural use;

2 (nn) except as otherwise provided in this act, all sales of services
3 rendered by an advertising agency or licensed broadcast station or any
4 member, agent or employee thereof;

5 (oo) all sales of tangible personal property purchased by a community
6 action group or agency for the exclusive purpose of repairing or
7 weatherizing housing occupied by low-income individuals;

8 (pp) all sales of drill bits and explosives actually utilized in the
9 exploration and production of oil or gas;

10 (qq) all sales of tangible personal property and services purchased by
11 a nonprofit museum or historical society or any combination thereof,
12 including a nonprofit organization that is organized for the purpose of
13 stimulating public interest in the exploration of space by providing
14 educational information, exhibits and experiences, that is exempt from
15 federal income taxation pursuant to section 501(c)(3) of the federal
16 internal revenue code of 1986;

17 (rr) all sales of tangible personal property that will admit the
18 purchaser thereof to any annual event sponsored by a nonprofit
19 organization that is exempt from federal income taxation pursuant to
20 section 501(c)(3) of the federal internal revenue code of 1986, except that
21 for taxable years commencing after December 31, 2013, this subsection
22 shall not apply to any sales of such tangible personal property purchased
23 by a nonprofit organization which performs any abortion, as defined in
24 K.S.A. 65-6701, and amendments thereto;

25 (ss) all sales of tangible personal property and services purchased by
26 a public broadcasting station licensed by the federal communications
27 commission as a noncommercial educational television or radio station;

28 (tt) all sales of tangible personal property and services purchased by
29 or on behalf of a not-for-profit corporation that is exempt from federal
30 income taxation pursuant to section 501(c)(3) of the federal internal
31 revenue code of 1986, for the sole purpose of constructing a Kansas
32 Korean War memorial;

33 (uu) all sales of tangible personal property and services purchased by
34 or on behalf of any rural volunteer fire-fighting organization for use
35 exclusively in the performance of its duties and functions;

36 (vv) all sales of tangible personal property purchased by any of the
37 following organizations that are exempt from federal income taxation
38 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
39 for the following purposes, and all sales of any such property by or on
40 behalf of any such organization for any such purpose:

41 (1) The American heart association, Kansas affiliate, inc. for the
42 purposes of providing education, training, certification in emergency
43 cardiac care, research and other related services to reduce disability and

1 death from cardiovascular diseases and stroke;

2 (2) the Kansas alliance for the mentally ill, inc. for the purpose of
3 advocacy for persons with mental illness and to education, research and
4 support for their families;

5 (3) the Kansas mental illness awareness council for the purposes of
6 advocacy for persons who are mentally ill and for education, research and
7 support for them and their families;

8 (4) the American diabetes association Kansas affiliate, inc. for the
9 purpose of eliminating diabetes through medical research, public education
10 focusing on disease prevention and education, patient education including
11 information on coping with diabetes, and professional education and
12 training;

13 (5) the American lung association of Kansas, inc. for the purpose of
14 eliminating all lung diseases through medical research, public education
15 including information on coping with lung diseases, professional education
16 and training related to lung disease and other related services to reduce the
17 incidence of disability and death due to lung disease;

18 (6) the Kansas chapters of the Alzheimer's disease and related
19 disorders association, inc. for the purpose of providing assistance and
20 support to persons in Kansas with Alzheimer's disease, and their families
21 and caregivers;

22 (7) the Kansas chapters of the Parkinson's disease association for the
23 purpose of eliminating Parkinson's disease through medical research and
24 public and professional education related to such disease;

25 (8) the national kidney foundation of Kansas and western Missouri
26 for the purpose of eliminating kidney disease through medical research
27 and public and private education related to such disease;

28 (9) the heartstrings community foundation for the purpose of
29 providing training, employment and activities for adults with
30 developmental disabilities;

31 (10) the cystic fibrosis foundation, heart of America chapter, for the
32 purposes of assuring the development of the means to cure and control
33 cystic fibrosis and improving the quality of life for those with the disease;

34 (11) the spina bifida association of Kansas for the purpose of
35 providing financial, educational and practical aid to families and
36 individuals with spina bifida. Such aid includes, but is not limited to,
37 funding for medical devices, counseling and medical educational
38 opportunities;

39 (12) the CHWC, Inc., for the purpose of rebuilding urban core
40 neighborhoods through the construction of new homes, acquiring and
41 renovating existing homes and other related activities, and promoting
42 economic development in such neighborhoods;

43 (13) the cross-lines cooperative council for the purpose of providing

1 social services to low income individuals and families;

2 (14) the dreams work, inc., for the purpose of providing young adult
3 day services to individuals with developmental disabilities and assisting
4 families in avoiding institutional or nursing home care for a
5 developmentally disabled member of their family;

6 (15) the KSDS, Inc., for the purpose of promoting the independence
7 and inclusion of people with disabilities as fully participating and
8 contributing members of their communities and society through the
9 training and providing of guide and service dogs to people with
10 disabilities, and providing disability education and awareness to the
11 general public;

12 (16) the lyme association of greater Kansas City, Inc., for the purpose
13 of providing support to persons with lyme disease and public education
14 relating to the prevention, treatment and cure of lyme disease;

15 (17) the dream factory, inc., for the purpose of granting the dreams of
16 children with critical and chronic illnesses;

17 (18) the Ottawa Suzuki strings, inc., for the purpose of providing
18 students and families with education and resources necessary to enable
19 each child to develop fine character and musical ability to the fullest
20 potential;

21 (19) the international association of lions clubs for the purpose of
22 creating and fostering a spirit of understanding among all people for
23 humanitarian needs by providing voluntary services through community
24 involvement and international cooperation;

25 (20) the Johnson county young matrons, inc., for the purpose of
26 promoting a positive future for members of the community through
27 volunteerism, financial support and education through the efforts of an all
28 volunteer organization;

29 (21) the American cancer society, inc., for the purpose of eliminating
30 cancer as a major health problem by preventing cancer, saving lives and
31 diminishing suffering from cancer, through research, education, advocacy
32 and service;

33 (22) the community services of Shawnee, inc., for the purpose of
34 providing food and clothing to those in need;

35 (23) the angel babies association, for the purpose of providing
36 assistance, support and items of necessity to teenage mothers and their
37 babies; and

38 (24) the Kansas fairgrounds foundation for the purpose of the
39 preservation, renovation and beautification of the Kansas state fairgrounds;

40 (ww) all sales of tangible personal property purchased by the habitat
41 for humanity for the exclusive use of being incorporated within a housing
42 project constructed by such organization;

43 (xx) all sales of tangible personal property and services purchased by

1 a nonprofit zoo that is exempt from federal income taxation pursuant to
2 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
3 of such zoo by an entity itself exempt from federal income taxation
4 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
5 contracted with to operate such zoo and all sales of tangible personal
6 property or services purchased by a contractor for the purpose of
7 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
8 furnishing or remodeling facilities for any nonprofit zoo that would be
9 exempt from taxation under the provisions of this section if purchased
10 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
11 this subsection shall be deemed to exempt the purchase of any construction
12 machinery, equipment or tools used in the constructing, equipping,
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
14 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
15 the purpose of constructing, equipping, reconstructing, maintaining,
16 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
17 from the state and furnish to the contractor an exemption certificate for the
18 project involved, and the contractor may purchase materials for
19 incorporation in such project. The contractor shall furnish the number of
20 such certificate to all suppliers from whom such purchases are made, and
21 such suppliers shall execute invoices covering the same bearing the
22 number of such certificate. Upon completion of the project the contractor
23 shall furnish to the nonprofit zoo concerned a sworn statement, on a form
24 to be provided by the director of taxation, that all purchases so made were
25 entitled to exemption under this subsection. All invoices shall be held by
26 the contractor for a period of five years and shall be subject to audit by the
27 director of taxation. If any materials purchased under such a certificate are
28 found not to have been incorporated in the building or other project or not
29 to have been returned for credit or the sales or compensating tax otherwise
30 imposed upon such materials that will not be so incorporated in the
31 building or other project reported and paid by such contractor to the
32 director of taxation not later than the 20th day of the month following the
33 close of the month in which it shall be determined that such materials will
34 not be used for the purpose for which such certificate was issued, the
35 nonprofit zoo concerned shall be liable for tax on all materials purchased
36 for the project, and upon payment thereof it may recover the same from
37 the contractor together with reasonable attorney fees. Any contractor or
38 any agent, employee or subcontractor thereof, who shall use or otherwise
39 dispose of any materials purchased under such a certificate for any purpose
40 other than that for which such a certificate is issued without the payment
41 of the sales or compensating tax otherwise imposed upon such materials,
42 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
43 subject to the penalties provided for in K.S.A. 79-3615(h), and

1 amendments thereto;

2 (yy) all sales of tangible personal property and services purchased by
3 a parent-teacher association or organization, and all sales of tangible
4 personal property by or on behalf of such association or organization;

5 (zz) all sales of machinery and equipment purchased by over-the-air,
6 free access radio or television station that is used directly and primarily for
7 the purpose of producing a broadcast signal or is such that the failure of
8 the machinery or equipment to operate would cause broadcasting to cease.
9 For purposes of this subsection, machinery and equipment shall include,
10 but not be limited to, that required by rules and regulations of the federal
11 communications commission, and all sales of electricity which are
12 essential or necessary for the purpose of producing a broadcast signal or is
13 such that the failure of the electricity would cause broadcasting to cease;

14 (aaa) all sales of tangible personal property and services purchased by
15 a religious organization that is exempt from federal income taxation
16 pursuant to section 501(c)(3) of the federal internal revenue code, and used
17 exclusively for religious purposes, and all sales of tangible personal
18 property or services purchased by a contractor for the purpose of
19 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
20 furnishing or remodeling facilities for any such organization that would be
21 exempt from taxation under the provisions of this section if purchased
22 directly by such organization. Nothing in this subsection shall be deemed
23 to exempt the purchase of any construction machinery, equipment or tools
24 used in the constructing, equipping, reconstructing, maintaining, repairing,
25 enlarging, furnishing or remodeling facilities for any such organization.
26 When any such organization shall contract for the purpose of constructing,
27 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
28 remodeling facilities, it shall obtain from the state and furnish to the
29 contractor an exemption certificate for the project involved, and the
30 contractor may purchase materials for incorporation in such project. The
31 contractor shall furnish the number of such certificate to all suppliers from
32 whom such purchases are made, and such suppliers shall execute invoices
33 covering the same bearing the number of such certificate. Upon
34 completion of the project the contractor shall furnish to such organization
35 concerned a sworn statement, on a form to be provided by the director of
36 taxation, that all purchases so made were entitled to exemption under this
37 subsection. All invoices shall be held by the contractor for a period of five
38 years and shall be subject to audit by the director of taxation. If any
39 materials purchased under such a certificate are found not to have been
40 incorporated in the building or other project or not to have been returned
41 for credit or the sales or compensating tax otherwise imposed upon such
42 materials that will not be so incorporated in the building or other project
43 reported and paid by such contractor to the director of taxation not later

1 than the 20th day of the month following the close of the month in which it
2 shall be determined that such materials will not be used for the purpose for
3 which such certificate was issued, such organization concerned shall be
4 liable for tax on all materials purchased for the project, and upon payment
5 thereof it may recover the same from the contractor together with
6 reasonable attorney fees. Any contractor or any agent, employee or
7 subcontractor thereof, who shall use or otherwise dispose of any materials
8 purchased under such a certificate for any purpose other than that for
9 which such a certificate is issued without the payment of the sales or
10 compensating tax otherwise imposed upon such materials, shall be guilty
11 of a misdemeanor and, upon conviction therefor, shall be subject to the
12 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
13 Sales tax paid on and after July 1, 1998, but prior to the effective date of
14 this act upon the gross receipts received from any sale exempted by the
15 amendatory provisions of this subsection shall be refunded. Each claim for
16 a sales tax refund shall be verified and submitted to the director of taxation
17 upon forms furnished by the director and shall be accompanied by any
18 additional documentation required by the director. The director shall
19 review each claim and shall refund that amount of sales tax paid as
20 determined under the provisions of this subsection. All refunds shall be
21 paid from the sales tax refund fund upon warrants of the director of
22 accounts and reports pursuant to vouchers approved by the director or the
23 director's designee;

24 (bbb) all sales of food for human consumption by an organization that
25 is exempt from federal income taxation pursuant to section 501(c)(3)
26 of the federal internal revenue code of 1986, pursuant to a food distribution
27 program that offers such food at a price below cost in exchange for the
28 performance of community service by the purchaser thereof;

29 (ccc) on and after July 1, 1999, all sales of tangible personal property
30 and services purchased by a primary care clinic or health center the
31 primary purpose of which is to provide services to medically underserved
32 individuals and families, and that is exempt from federal income taxation
33 pursuant to section 501(c)(3) of the federal internal revenue code, and all
34 sales of tangible personal property or services purchased by a contractor
35 for the purpose of constructing, equipping, reconstructing, maintaining,
36 repairing, enlarging, furnishing or remodeling facilities for any such clinic
37 or center that would be exempt from taxation under the provisions of this
38 section if purchased directly by such clinic or center, except that for
39 taxable years commencing after December 31, 2013, this subsection shall
40 not apply to any sales of such tangible personal property and services
41 purchased by a primary care clinic or health center which performs any
42 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
43 in this subsection shall be deemed to exempt the purchase of any

1 construction machinery, equipment or tools used in the constructing,
2 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
3 remodeling facilities for any such clinic or center. When any such clinic or
4 center shall contract for the purpose of constructing, equipping,
5 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
6 facilities, it shall obtain from the state and furnish to the contractor an
7 exemption certificate for the project involved, and the contractor may
8 purchase materials for incorporation in such project. The contractor shall
9 furnish the number of such certificate to all suppliers from whom such
10 purchases are made, and such suppliers shall execute invoices covering the
11 same bearing the number of such certificate. Upon completion of the
12 project the contractor shall furnish to such clinic or center concerned a
13 sworn statement, on a form to be provided by the director of taxation, that
14 all purchases so made were entitled to exemption under this subsection.
15 All invoices shall be held by the contractor for a period of five years and
16 shall be subject to audit by the director of taxation. If any materials
17 purchased under such a certificate are found not to have been incorporated
18 in the building or other project or not to have been returned for credit or
19 the sales or compensating tax otherwise imposed upon such materials that
20 will not be so incorporated in the building or other project reported and
21 paid by such contractor to the director of taxation not later than the 20th
22 day of the month following the close of the month in which it shall be
23 determined that such materials will not be used for the purpose for which
24 such certificate was issued, such clinic or center concerned shall be liable
25 for tax on all materials purchased for the project, and upon payment
26 thereof it may recover the same from the contractor together with
27 reasonable attorney fees. Any contractor or any agent, employee or
28 subcontractor thereof, who shall use or otherwise dispose of any materials
29 purchased under such a certificate for any purpose other than that for
30 which such a certificate is issued without the payment of the sales or
31 compensating tax otherwise imposed upon such materials, shall be guilty
32 of a misdemeanor and, upon conviction therefor, shall be subject to the
33 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

34 (ddd) on and after January 1, 1999, and before January 1, 2000, all
35 sales of materials and services purchased by any class II or III railroad as
36 classified by the federal surface transportation board for the construction,
37 renovation, repair or replacement of class II or III railroad track and
38 facilities used directly in interstate commerce. In the event any such track
39 or facility for which materials and services were purchased sales tax
40 exempt is not operational for five years succeeding the allowance of such
41 exemption, the total amount of sales tax that would have been payable
42 except for the operation of this subsection shall be recouped in accordance
43 with rules and regulations adopted for such purpose by the secretary of

1 revenue;

2 (eee) on and after January 1, 1999, and before January 1, 2001, all
3 sales of materials and services purchased for the original construction,
4 reconstruction, repair or replacement of grain storage facilities, including
5 railroad sidings providing access thereto;

6 (fff) all sales of material handling equipment, racking systems and
7 other related machinery and equipment that is used for the handling,
8 movement or storage of tangible personal property in a warehouse or
9 distribution facility in this state; all sales of installation, repair and
10 maintenance services performed on such machinery and equipment; and
11 all sales of repair and replacement parts for such machinery and
12 equipment. For purposes of this subsection, a warehouse or distribution
13 facility means a single, fixed location that consists of buildings or
14 structures in a contiguous area where storage or distribution operations are
15 conducted that are separate and apart from the business' retail operations,
16 if any, and that do not otherwise qualify for exemption as occurring at a
17 manufacturing or processing plant or facility. Material handling and
18 storage equipment shall include aeration, dust control, cleaning, handling
19 and other such equipment that is used in a public grain warehouse or other
20 commercial grain storage facility, whether used for grain handling, grain
21 storage, grain refining or processing, or other grain treatment operation;

22 (ggg) all sales of tangible personal property and services purchased
23 by or on behalf of the Kansas academy of science, which is exempt from
24 federal income taxation pursuant to section 501(c)(3) of the federal
25 internal revenue code of 1986, and used solely by such academy for the
26 preparation, publication and dissemination of education materials;

27 (hhh) all sales of tangible personal property and services purchased
28 by or on behalf of all domestic violence shelters that are member agencies
29 of the Kansas coalition against sexual and domestic violence;

30 (iii) all sales of personal property and services purchased by an
31 organization that is exempt from federal income taxation pursuant to
32 section 501(c)(3) of the federal internal revenue code of 1986, and such
33 personal property and services are used by any such organization in the
34 collection, storage and distribution of food products to nonprofit
35 organizations that distribute such food products to persons pursuant to a
36 food distribution program on a charitable basis without fee or charge, and
37 all sales of tangible personal property or services purchased by a
38 contractor for the purpose of constructing, equipping, reconstructing,
39 maintaining, repairing, enlarging, furnishing or remodeling facilities used
40 for the collection and storage of such food products for any such
41 organization which is exempt from federal income taxation pursuant to
42 section 501(c)(3) of the federal internal revenue code of 1986, that would
43 be exempt from taxation under the provisions of this section if purchased

1 directly by such organization. Nothing in this subsection shall be deemed
2 to exempt the purchase of any construction machinery, equipment or tools
3 used in the constructing, equipping, reconstructing, maintaining, repairing,
4 enlarging, furnishing or remodeling facilities for any such organization.
5 When any such organization shall contract for the purpose of constructing,
6 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
7 remodeling facilities, it shall obtain from the state and furnish to the
8 contractor an exemption certificate for the project involved, and the
9 contractor may purchase materials for incorporation in such project. The
10 contractor shall furnish the number of such certificate to all suppliers from
11 whom such purchases are made, and such suppliers shall execute invoices
12 covering the same bearing the number of such certificate. Upon
13 completion of the project the contractor shall furnish to such organization
14 concerned a sworn statement, on a form to be provided by the director of
15 taxation, that all purchases so made were entitled to exemption under this
16 subsection. All invoices shall be held by the contractor for a period of five
17 years and shall be subject to audit by the director of taxation. If any
18 materials purchased under such a certificate are found not to have been
19 incorporated in such facilities or not to have been returned for credit or the
20 sales or compensating tax otherwise imposed upon such materials that will
21 not be so incorporated in such facilities reported and paid by such
22 contractor to the director of taxation not later than the 20th day of
23 the month following the close of the month in which it shall be determined
24 that such materials will not be used for the purpose for which such
25 certificate was issued, such organization concerned shall be liable for tax
26 on all materials purchased for the project, and upon payment thereof it
27 may recover the same from the contractor together with reasonable
28 attorney fees. Any contractor or any agent, employee or subcontractor
29 thereof, who shall use or otherwise dispose of any materials purchased
30 under such a certificate for any purpose other than that for which such a
31 certificate is issued without the payment of the sales or compensating tax
32 otherwise imposed upon such materials, shall be guilty of a misdemeanor
33 and, upon conviction therefor, shall be subject to the penalties provided for
34 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after
35 July 1, 2005, but prior to the effective date of this act upon the gross
36 receipts received from any sale exempted by the amendatory provisions of
37 this subsection shall be refunded. Each claim for a sales tax refund shall be
38 verified and submitted to the director of taxation upon forms furnished by
39 the director and shall be accompanied by any additional documentation
40 required by the director. The director shall review each claim and shall
41 refund that amount of sales tax paid as determined under the provisions of
42 this subsection. All refunds shall be paid from the sales tax refund fund
43 upon warrants of the director of accounts and reports pursuant to vouchers

1 approved by the director or the director's designee;

2 (jjj) all sales of dietary supplements dispensed pursuant to a
3 prescription order by a licensed practitioner or a mid-level practitioner as
4 defined by K.S.A. 65-1626, and amendments thereto. As used in this
5 subsection, "dietary supplement" means any product, other than tobacco,
6 intended to supplement the diet that: (1) Contains one or more of the
7 following dietary ingredients: A vitamin, a mineral, an herb or other
8 botanical, an amino acid, a dietary substance for use by humans to
9 supplement the diet by increasing the total dietary intake or a concentrate,
10 metabolite, constituent, extract or combination of any such ingredient; (2)
11 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or
12 liquid form, or if not intended for ingestion, in such a form, is not
13 represented as conventional food and is not represented for use as a sole
14 item of a meal or of the diet; and (3) is required to be labeled as a dietary
15 supplement, identifiable by the supplemental facts box found on the label
16 and as required pursuant to 21 C.F.R. § 101.36;

17 (lll) all sales of tangible personal property and services purchased by
18 special olympics Kansas, inc. for the purpose of providing year-round
19 sports training and athletic competition in a variety of olympic-type sports
20 for individuals with intellectual disabilities by giving them continuing
21 opportunities to develop physical fitness, demonstrate courage, experience
22 joy and participate in a sharing of gifts, skills and friendship with their
23 families, other special olympics athletes and the community, and activities
24 provided or sponsored by such organization, and all sales of tangible
25 personal property by or on behalf of any such organization;

26 (mmm) all sales of tangible personal property purchased by or on
27 behalf of the Marillac center, inc., which is exempt from federal income
28 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
29 for the purpose of providing psycho-social-biological and special
30 education services to children, and all sales of any such property by or on
31 behalf of such organization for such purpose;

32 (nnn) all sales of tangible personal property and services purchased
33 by the west Sedgwick county-sunrise rotary club and sunrise charitable
34 fund for the purpose of constructing a boundless playground which is an
35 integrated, barrier free and developmentally advantageous play
36 environment for children of all abilities and disabilities;

37 (ooo) all sales of tangible personal property by or on behalf of a
38 public library serving the general public and supported in whole or in part
39 with tax money or a not-for-profit organization whose purpose is to raise
40 funds for or provide services or other benefits to any such public library;

41 (ppp) all sales of tangible personal property and services purchased
42 by or on behalf of a homeless shelter that is exempt from federal income
43 taxation pursuant to section 501(c)(3) of the federal income tax code of

1 1986, and used by any such homeless shelter to provide emergency and
2 transitional housing for individuals and families experiencing
3 homelessness, and all sales of any such property by or on behalf of any
4 such homeless shelter for any such purpose;

5 (qqq) all sales of tangible personal property and services purchased
6 by TLC for children and families, inc., hereinafter referred to as TLC,
7 which is exempt from federal income taxation pursuant to section 501(c)
8 (3) of the federal internal revenue code of 1986, and such property and
9 services are used for the purpose of providing emergency shelter and
10 treatment for abused and neglected children as well as meeting additional
11 critical needs for children, juveniles and family, and all sales of any such
12 property by or on behalf of TLC for any such purpose; and all sales of
13 tangible personal property or services purchased by a contractor for the
14 purpose of constructing, maintaining, repairing, enlarging, furnishing or
15 remodeling facilities for the operation of services for TLC for any such
16 purpose that would be exempt from taxation under the provisions of this
17 section if purchased directly by TLC. Nothing in this subsection shall be
18 deemed to exempt the purchase of any construction machinery, equipment
19 or tools used in the constructing, maintaining, repairing, enlarging,
20 furnishing or remodeling such facilities for TLC. When TLC contracts for
21 the purpose of constructing, maintaining, repairing, enlarging, furnishing
22 or remodeling such facilities, it shall obtain from the state and furnish to
23 the contractor an exemption certificate for the project involved, and the
24 contractor may purchase materials for incorporation in such project. The
25 contractor shall furnish the number of such certificate to all suppliers from
26 whom such purchases are made, and such suppliers shall execute invoices
27 covering the same bearing the number of such certificate. Upon
28 completion of the project the contractor shall furnish to TLC a sworn
29 statement, on a form to be provided by the director of taxation, that all
30 purchases so made were entitled to exemption under this subsection. All
31 invoices shall be held by the contractor for a period of five years and shall
32 be subject to audit by the director of taxation. If any materials purchased
33 under such a certificate are found not to have been incorporated in the
34 building or other project or not to have been returned for credit or the sales
35 or compensating tax otherwise imposed upon such materials that will not
36 be so incorporated in the building or other project reported and paid by
37 such contractor to the director of taxation not later than the 20th day of the
38 month following the close of the month in which it shall be determined
39 that such materials will not be used for the purpose for which such
40 certificate was issued, TLC shall be liable for tax on all materials
41 purchased for the project, and upon payment thereof it may recover the
42 same from the contractor together with reasonable attorney fees. Any
43 contractor or any agent, employee or subcontractor thereof, who shall use

1 or otherwise dispose of any materials purchased under such a certificate
2 for any purpose other than that for which such a certificate is issued
3 without the payment of the sales or compensating tax otherwise imposed
4 upon such materials, shall be guilty of a misdemeanor and, upon
5 conviction therefor, shall be subject to the penalties provided for in K.S.A.
6 79-3615(h), and amendments thereto;

7 (rrr) all sales of tangible personal property and services purchased by
8 any county law library maintained pursuant to law and sales of tangible
9 personal property and services purchased by an organization that would
10 have been exempt from taxation under the provisions of this subsection if
11 purchased directly by the county law library for the purpose of providing
12 legal resources to attorneys, judges, students and the general public, and
13 all sales of any such property by or on behalf of any such county law
14 library;

15 (sss) all sales of tangible personal property and services purchased by
16 catholic charities or youthville, hereinafter referred to as charitable family
17 providers, which is exempt from federal income taxation pursuant to
18 section 501(c)(3) of the federal internal revenue code of 1986, and which
19 such property and services are used for the purpose of providing
20 emergency shelter and treatment for abused and neglected children as well
21 as meeting additional critical needs for children, juveniles and family, and
22 all sales of any such property by or on behalf of charitable family
23 providers for any such purpose; and all sales of tangible personal property
24 or services purchased by a contractor for the purpose of constructing,
25 maintaining, repairing, enlarging, furnishing or remodeling facilities for
26 the operation of services for charitable family providers for any such
27 purpose which would be exempt from taxation under the provisions of this
28 section if purchased directly by charitable family providers. Nothing in
29 this subsection shall be deemed to exempt the purchase of any construction
30 machinery, equipment or tools used in the constructing, maintaining,
31 repairing, enlarging, furnishing or remodeling such facilities for charitable
32 family providers. When charitable family providers contracts for the
33 purpose of constructing, maintaining, repairing, enlarging, furnishing or
34 remodeling such facilities, it shall obtain from the state and furnish to the
35 contractor an exemption certificate for the project involved, and the
36 contractor may purchase materials for incorporation in such project. The
37 contractor shall furnish the number of such certificate to all suppliers from
38 whom such purchases are made, and such suppliers shall execute invoices
39 covering the same bearing the number of such certificate. Upon
40 completion of the project the contractor shall furnish to charitable family
41 providers a sworn statement, on a form to be provided by the director of
42 taxation, that all purchases so made were entitled to exemption under this
43 subsection. All invoices shall be held by the contractor for a period of five

1 years and shall be subject to audit by the director of taxation. If any
2 materials purchased under such a certificate are found not to have been
3 incorporated in the building or other project or not to have been returned
4 for credit or the sales or compensating tax otherwise imposed upon such
5 materials that will not be so incorporated in the building or other project
6 reported and paid by such contractor to the director of taxation not later
7 than the 20th day of the month following the close of the month in which it
8 shall be determined that such materials will not be used for the purpose for
9 which such certificate was issued, charitable family providers shall be
10 liable for tax on all materials purchased for the project, and upon payment
11 thereof it may recover the same from the contractor together with
12 reasonable attorney fees. Any contractor or any agent, employee or
13 subcontractor thereof, who shall use or otherwise dispose of any materials
14 purchased under such a certificate for any purpose other than that for
15 which such a certificate is issued without the payment of the sales or
16 compensating tax otherwise imposed upon such materials, shall be guilty
17 of a misdemeanor and, upon conviction therefor, shall be subject to the
18 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

19 (ttt) all sales of tangible personal property or services purchased by a
20 contractor for a project for the purpose of restoring, constructing,
21 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
22 remodeling a home or facility owned by a nonprofit museum that has been
23 granted an exemption pursuant to subsection (qq), which such home or
24 facility is located in a city that has been designated as a qualified
25 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
26 amendments thereto, and which such project is related to the purposes of
27 K.S.A. 75-5071 et seq., and amendments thereto, and that would be
28 exempt from taxation under the provisions of this section if purchased
29 directly by such nonprofit museum. Nothing in this subsection shall be
30 deemed to exempt the purchase of any construction machinery, equipment
31 or tools used in the restoring, constructing, equipping, reconstructing,
32 maintaining, repairing, enlarging, furnishing or remodeling a home or
33 facility for any such nonprofit museum. When any such nonprofit museum
34 shall contract for the purpose of restoring, constructing, equipping,
35 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
36 a home or facility, it shall obtain from the state and furnish to the
37 contractor an exemption certificate for the project involved, and the
38 contractor may purchase materials for incorporation in such project. The
39 contractor shall furnish the number of such certificates to all suppliers
40 from whom such purchases are made, and such suppliers shall execute
41 invoices covering the same bearing the number of such certificate. Upon
42 completion of the project, the contractor shall furnish to such nonprofit
43 museum a sworn statement on a form to be provided by the director of

1 taxation that all purchases so made were entitled to exemption under this
2 subsection. All invoices shall be held by the contractor for a period of five
3 years and shall be subject to audit by the director of taxation. If any
4 materials purchased under such a certificate are found not to have been
5 incorporated in the building or other project or not to have been returned
6 for credit or the sales or compensating tax otherwise imposed upon such
7 materials that will not be so incorporated in a home or facility or other
8 project reported and paid by such contractor to the director of taxation not
9 later than the 20th day of the month following the close of the month in
10 which it shall be determined that such materials will not be used for the
11 purpose for which such certificate was issued, such nonprofit museum
12 shall be liable for tax on all materials purchased for the project, and upon
13 payment thereof it may recover the same from the contractor together with
14 reasonable attorney fees. Any contractor or any agent, employee or
15 subcontractor thereof, who shall use or otherwise dispose of any materials
16 purchased under such a certificate for any purpose other than that for
17 which such a certificate is issued without the payment of the sales or
18 compensating tax otherwise imposed upon such materials, shall be guilty
19 of a misdemeanor and, upon conviction therefor, shall be subject to the
20 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

21 (uuu) all sales of tangible personal property and services purchased
22 by Kansas children's service league, hereinafter referred to as KCSL,
23 which is exempt from federal income taxation pursuant to section 501(c)
24 (3) of the federal internal revenue code of 1986, and which such property
25 and services are used for the purpose of providing for the prevention and
26 treatment of child abuse and maltreatment as well as meeting additional
27 critical needs for children, juveniles and family, and all sales of any such
28 property by or on behalf of KCSL for any such purpose; and all sales of
29 tangible personal property or services purchased by a contractor for the
30 purpose of constructing, maintaining, repairing, enlarging, furnishing or
31 remodeling facilities for the operation of services for KCSL for any such
32 purpose that would be exempt from taxation under the provisions of this
33 section if purchased directly by KCSL. Nothing in this subsection shall be
34 deemed to exempt the purchase of any construction machinery, equipment
35 or tools used in the constructing, maintaining, repairing, enlarging,
36 furnishing or remodeling such facilities for KCSL. When KCSL contracts
37 for the purpose of constructing, maintaining, repairing, enlarging,
38 furnishing or remodeling such facilities, it shall obtain from the state and
39 furnish to the contractor an exemption certificate for the project involved,
40 and the contractor may purchase materials for incorporation in such
41 project. The contractor shall furnish the number of such certificate to all
42 suppliers from whom such purchases are made, and such suppliers shall
43 execute invoices covering the same bearing the number of such certificate.

1 Upon completion of the project the contractor shall furnish to KCSL a
2 sworn statement, on a form to be provided by the director of taxation, that
3 all purchases so made were entitled to exemption under this subsection.
4 All invoices shall be held by the contractor for a period of five years and
5 shall be subject to audit by the director of taxation. If any materials
6 purchased under such a certificate are found not to have been incorporated
7 in the building or other project or not to have been returned for credit or
8 the sales or compensating tax otherwise imposed upon such materials that
9 will not be so incorporated in the building or other project reported and
10 paid by such contractor to the director of taxation not later than the 20th
11 day of the month following the close of the month in which it shall be
12 determined that such materials will not be used for the purpose for which
13 such certificate was issued, KCSL shall be liable for tax on all materials
14 purchased for the project, and upon payment thereof it may recover the
15 same from the contractor together with reasonable attorney fees. Any
16 contractor or any agent, employee or subcontractor thereof, who shall use
17 or otherwise dispose of any materials purchased under such a certificate
18 for any purpose other than that for which such a certificate is issued
19 without the payment of the sales or compensating tax otherwise imposed
20 upon such materials, shall be guilty of a misdemeanor and, upon
21 conviction therefor, shall be subject to the penalties provided for in K.S.A.
22 79-3615(h), and amendments thereto;

23 (vvv) all sales of tangible personal property or services, including the
24 renting and leasing of tangible personal property or services, purchased by
25 jazz in the woods, inc., a Kansas corporation that is exempt from federal
26 income taxation pursuant to section 501(c)(3) of the federal internal
27 revenue code, for the purpose of providing jazz in the woods, an event
28 benefiting children-in-need and other nonprofit charities assisting such
29 children, and all sales of any such property by or on behalf of such
30 organization for such purpose;

31 (www) all sales of tangible personal property purchased by or on
32 behalf of the Frontenac education foundation, which is exempt from
33 federal income taxation pursuant to section 501(c)(3) of the federal
34 internal revenue code, for the purpose of providing education support for
35 students, and all sales of any such property by or on behalf of such
36 organization for such purpose;

37 (xxx) all sales of personal property and services purchased by the
38 booth theatre foundation, inc., an organization, which is exempt from
39 federal income taxation pursuant to section 501(c)(3) of the federal
40 internal revenue code of 1986, and which such personal property and
41 services are used by any such organization in the constructing, equipping,
42 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
43 of the booth theatre, and all sales of tangible personal property or services

1 purchased by a contractor for the purpose of constructing, equipping,
2 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
3 the booth theatre for such organization, that would be exempt from
4 taxation under the provisions of this section if purchased directly by such
5 organization. Nothing in this subsection shall be deemed to exempt the
6 purchase of any construction machinery, equipment or tools used in the
7 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
8 furnishing or remodeling facilities for any such organization. When any
9 such organization shall contract for the purpose of constructing, equipping,
10 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
11 facilities, it shall obtain from the state and furnish to the contractor an
12 exemption certificate for the project involved, and the contractor may
13 purchase materials for incorporation in such project. The contractor shall
14 furnish the number of such certificate to all suppliers from whom such
15 purchases are made, and such suppliers shall execute invoices covering the
16 same bearing the number of such certificate. Upon completion of the
17 project the contractor shall furnish to such organization concerned a sworn
18 statement, on a form to be provided by the director of taxation, that all
19 purchases so made were entitled to exemption under this subsection. All
20 invoices shall be held by the contractor for a period of five years and shall
21 be subject to audit by the director of taxation. If any materials purchased
22 under such a certificate are found not to have been incorporated in such
23 facilities or not to have been returned for credit or the sales or
24 compensating tax otherwise imposed upon such materials that will not be
25 so incorporated in such facilities reported and paid by such contractor to
26 the director of taxation not later than the 20th day of the month following
27 the close of the month in which it shall be determined that such materials
28 will not be used for the purpose for which such certificate was issued, such
29 organization concerned shall be liable for tax on all materials purchased
30 for the project, and upon payment thereof it may recover the same from
31 the contractor together with reasonable attorney fees. Any contractor or
32 any agent, employee or subcontractor thereof, who shall use or otherwise
33 dispose of any materials purchased under such a certificate for any purpose
34 other than that for which such a certificate is issued without the payment
35 of the sales or compensating tax otherwise imposed upon such materials,
36 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
37 subject to the penalties provided for in K.S.A. 79-3615(h), and
38 amendments thereto. Sales tax paid on and after January 1, 2007, but prior
39 to the effective date of this act upon the gross receipts received from any
40 sale which would have been exempted by the provisions of this subsection
41 had such sale occurred after the effective date of this act shall be refunded.
42 Each claim for a sales tax refund shall be verified and submitted to the
43 director of taxation upon forms furnished by the director and shall be

1 accompanied by any additional documentation required by the director.
2 The director shall review each claim and shall refund that amount of sales
3 tax paid as determined under the provisions of this subsection. All refunds
4 shall be paid from the sales tax refund fund upon warrants of the director
5 of accounts and reports pursuant to vouchers approved by the director or
6 the director's designee;

7 (yyy) all sales of tangible personal property and services purchased
8 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
9 which is exempt from federal income taxation pursuant to section 501(c)
10 (3) of the federal internal revenue code of 1986, and which such property
11 and services are used for the purpose of encouraging private philanthropy
12 to further the vision, values, and goals of TLC for children and families,
13 inc.; and all sales of such property and services by or on behalf of TLC
14 charities for any such purpose and all sales of tangible personal property or
15 services purchased by a contractor for the purpose of constructing,
16 maintaining, repairing, enlarging, furnishing or remodeling facilities for
17 the operation of services for TLC charities for any such purpose that would
18 be exempt from taxation under the provisions of this section if purchased
19 directly by TLC charities. Nothing in this subsection shall be deemed to
20 exempt the purchase of any construction machinery, equipment or tools
21 used in the constructing, maintaining, repairing, enlarging, furnishing or
22 remodeling such facilities for TLC charities. When TLC charities contracts
23 for the purpose of constructing, maintaining, repairing, enlarging,
24 furnishing or remodeling such facilities, it shall obtain from the state and
25 furnish to the contractor an exemption certificate for the project involved,
26 and the contractor may purchase materials for incorporation in such
27 project. The contractor shall furnish the number of such certificate to all
28 suppliers from whom such purchases are made, and such suppliers shall
29 execute invoices covering the same bearing the number of such certificate.
30 Upon completion of the project the contractor shall furnish to TLC
31 charities a sworn statement, on a form to be provided by the director of
32 taxation, that all purchases so made were entitled to exemption under this
33 subsection. All invoices shall be held by the contractor for a period of five
34 years and shall be subject to audit by the director of taxation. If any
35 materials purchased under such a certificate are found not to have been
36 incorporated in the building or other project or not to have been returned
37 for credit or the sales or compensating tax otherwise imposed upon such
38 materials that will not be incorporated into the building or other project
39 reported and paid by such contractor to the director of taxation not later
40 than the 20th day of the month following the close of the month in which it
41 shall be determined that such materials will not be used for the purpose for
42 which such certificate was issued, TLC charities shall be liable for tax on
43 all materials purchased for the project, and upon payment thereof it may

1 recover the same from the contractor together with reasonable attorney
2 fees. Any contractor or any agent, employee or subcontractor thereof, who
3 shall use or otherwise dispose of any materials purchased under such a
4 certificate for any purpose other than that for which such a certificate is
5 issued without the payment of the sales or compensating tax otherwise
6 imposed upon such materials, shall be guilty of a misdemeanor and, upon
7 conviction therefor, shall be subject to the penalties provided for in K.S.A.
8 79-3615(h), and amendments thereto;

9 (zzz) all sales of tangible personal property purchased by the rotary
10 club of shawnee foundation, which is exempt from federal income taxation
11 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
12 as amended, used for the purpose of providing contributions to community
13 service organizations and scholarships;

14 (aaaa) all sales of personal property and services purchased by or on
15 behalf of victory in the valley, inc., which is exempt from federal income
16 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
17 for the purpose of providing a cancer support group and services for
18 persons with cancer, and all sales of any such property by or on behalf of
19 any such organization for any such purpose;

20 (bbbb) all sales of entry or participation fees, charges or tickets by
21 Guadalupe health foundation, which is exempt from federal income
22 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
23 for such organization's annual fundraising event which purpose is to
24 provide health care services for uninsured workers;

25 (cccc) all sales of tangible personal property or services purchased by
26 or on behalf of wayside waifs, inc., which is exempt from federal income
27 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
28 for the purpose of providing such organization's annual fundraiser, an
29 event whose purpose is to support the care of homeless and abandoned
30 animals, animal adoption efforts, education programs for children and
31 efforts to reduce animal over-population and animal welfare services, and
32 all sales of any such property, including entry or participation fees or
33 charges, by or on behalf of such organization for such purpose;

34 (dddd) all sales of tangible personal property or services purchased
35 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
36 of which are exempt from federal income taxation pursuant to section
37 501(c)(3) of the federal internal revenue code, for the purpose of providing
38 education, training and employment opportunities for people with
39 disabilities and other barriers to employment;

40 (eeee) all sales of tangible personal property or services purchased by
41 or on behalf of all American beef battalion, inc., which is exempt from
42 federal income taxation pursuant to section 501(c)(3) of the federal
43 internal revenue code, for the purpose of educating, promoting and

1 participating as a contact group through the beef cattle industry in order to
2 carry out such projects that provide support and morale to members of the
3 United States armed forces and military services;

4 (ffff) all sales of tangible personal property and services purchased by
5 sheltered living, inc., which is exempt from federal income taxation
6 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
7 and which such property and services are used for the purpose of
8 providing residential and day services for people with developmental
9 disabilities or intellectual disability, or both, and all sales of any such
10 property by or on behalf of sheltered living, inc., for any such purpose; and
11 all sales of tangible personal property or services purchased by a
12 contractor for the purpose of rehabilitating, constructing, maintaining,
13 repairing, enlarging, furnishing or remodeling homes and facilities for
14 sheltered living, inc., for any such purpose that would be exempt from
15 taxation under the provisions of this section if purchased directly by
16 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
17 the purchase of any construction machinery, equipment or tools used in the
18 constructing, maintaining, repairing, enlarging, furnishing or remodeling
19 such homes and facilities for sheltered living, inc. When sheltered living,
20 inc., contracts for the purpose of rehabilitating, constructing, maintaining,
21 repairing, enlarging, furnishing or remodeling such homes and facilities, it
22 shall obtain from the state and furnish to the contractor an exemption
23 certificate for the project involved, and the contractor may purchase
24 materials for incorporation in such project. The contractor shall furnish the
25 number of such certificate to all suppliers from whom such purchases are
26 made, and such suppliers shall execute invoices covering the same bearing
27 the number of such certificate. Upon completion of the project the
28 contractor shall furnish to sheltered living, inc., a sworn statement, on a
29 form to be provided by the director of taxation, that all purchases so made
30 were entitled to exemption under this subsection. All invoices shall be held
31 by the contractor for a period of five years and shall be subject to audit by
32 the director of taxation. If any materials purchased under such a certificate
33 are found not to have been incorporated in the building or other project or
34 not to have been returned for credit or the sales or compensating tax
35 otherwise imposed upon such materials that will not be so incorporated in
36 the building or other project reported and paid by such contractor to the
37 director of taxation not later than the 20th day of the month following the
38 close of the month in which it shall be determined that such materials will
39 not be used for the purpose for which such certificate was issued, sheltered
40 living, inc., shall be liable for tax on all materials purchased for the
41 project, and upon payment thereof it may recover the same from the
42 contractor together with reasonable attorney fees. Any contractor or any
43 agent, employee or subcontractor thereof, who shall use or otherwise

1 dispose of any materials purchased under such a certificate for any purpose
2 other than that for which such a certificate is issued without the payment
3 of the sales or compensating tax otherwise imposed upon such materials,
4 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
5 subject to the penalties provided for in K.S.A. 79-3615(h), and
6 amendments thereto;

7 (gggg) all sales of game birds for which the primary purpose is use in
8 hunting;

9 (hhhh) all sales of tangible personal property or services purchased
10 on or after July 1, 2014, for the purpose of and in conjunction with
11 constructing, reconstructing, enlarging or remodeling a business identified
12 under the North American industry classification system (NAICS)
13 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
14 installation of machinery and equipment purchased for installation at any
15 such business. The exemption provided in this subsection shall not apply
16 to projects that have actual total costs less than \$50,000. When a person
17 contracts for the construction, reconstruction, enlargement or remodeling
18 of any such business, such person shall obtain from the state and furnish to
19 the contractor an exemption certificate for the project involved, and the
20 contractor may purchase materials, machinery and equipment for
21 incorporation in such project. The contractor shall furnish the number of
22 such certificates to all suppliers from whom such purchases are made, and
23 such suppliers shall execute invoices covering the same bearing the
24 number of such certificate. Upon completion of the project, the contractor
25 shall furnish to the owner of the business a sworn statement, on a form to
26 be provided by the director of taxation, that all purchases so made were
27 entitled to exemption under this subsection. All invoices shall be held by
28 the contractor for a period of five years and shall be subject to audit by the
29 director of taxation. Any contractor or any agent, employee or
30 subcontractor of the contractor, who shall use or otherwise dispose of any
31 materials, machinery or equipment purchased under such a certificate for
32 any purpose other than that for which such a certificate is issued without
33 the payment of the sales or compensating tax otherwise imposed thereon,
34 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
35 subject to the penalties provided for in K.S.A. 79-3615(h), and
36 amendments thereto;

37 (iiii) all sales of tangible personal property or services purchased by a
38 contractor for the purpose of constructing, maintaining, repairing,
39 enlarging, furnishing or remodeling facilities for the operation of services
40 for Wichita children's home for any such purpose that would be exempt
41 from taxation under the provisions of this section if purchased directly by
42 Wichita children's home. Nothing in this subsection shall be deemed to
43 exempt the purchase of any construction machinery, equipment or tools

1 used in the constructing, maintaining, repairing, enlarging, furnishing or
2 remodeling such facilities for Wichita children's home. When Wichita
3 children's home contracts for the purpose of constructing, maintaining,
4 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain
5 from the state and furnish to the contractor an exemption certificate for the
6 project involved, and the contractor may purchase materials for
7 incorporation in such project. The contractor shall furnish the number of
8 such certificate to all suppliers from whom such purchases are made, and
9 such suppliers shall execute invoices covering the same bearing the
10 number of such certificate. Upon completion of the project, the contractor
11 shall furnish to Wichita children's home a sworn statement, on a form to be
12 provided by the director of taxation, that all purchases so made were
13 entitled to exemption under this subsection. All invoices shall be held by
14 the contractor for a period of five years and shall be subject to audit by the
15 director of taxation. If any materials purchased under such a certificate are
16 found not to have been incorporated in the building or other project or not
17 to have been returned for credit or the sales or compensating tax otherwise
18 imposed upon such materials that will not be so incorporated in the
19 building or other project reported and paid by such contractor to the
20 director of taxation not later than the 20th day of the month following the
21 close of the month in which it shall be determined that such materials will
22 not be used for the purpose for which such certificate was issued, Wichita
23 children's home shall be liable for the tax on all materials purchased for the
24 project, and upon payment, it may recover the same from the contractor
25 together with reasonable attorney fees. Any contractor or any agent,
26 employee or subcontractor, who shall use or otherwise dispose of any
27 materials purchased under such a certificate for any purpose other than that
28 for which such a certificate is issued without the payment of the sales or
29 compensating tax otherwise imposed upon such materials, shall be guilty
30 of a misdemeanor and, upon conviction, shall be subject to the penalties
31 provided for in K.S.A. 79-3615(h), and amendments thereto;

32 (jjjj) all sales of tangible personal property or services purchased by
33 or on behalf of the beacon, inc., that is exempt from federal income
34 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
35 for the purpose of providing those desiring help with food, shelter, clothing
36 and other necessities of life during times of special need;

37 (kkkk) all sales of tangible personal property and services purchased
38 by or on behalf of reaching out from within, inc., which is exempt from
39 federal income taxation pursuant to section 501(c)(3) of the federal
40 internal revenue code, for the purpose of sponsoring self-help programs for
41 incarcerated persons that will enable such incarcerated persons to become
42 role models for non-violence while in correctional facilities and productive
43 family members and citizens upon return to the community;

1 (III) all sales of tangible personal property and services purchased by
2 Gove county healthcare endowment foundation, inc., which is exempt
3 from federal income taxation pursuant to section 501(c)(3) of the federal
4 internal revenue code of 1986, and which such property and services are
5 used for the purpose of constructing and equipping an airport in Quinter,
6 Kansas, and all sales of tangible personal property or services purchased
7 by a contractor for the purpose of constructing and equipping an airport in
8 Quinter, Kansas, for such organization, that would be exempt from
9 taxation under the provisions of this section if purchased directly by such
10 organization. Nothing in this subsection shall be deemed to exempt the
11 purchase of any construction machinery, equipment or tools used in the
12 constructing or equipping of facilities for such organization. When such
13 organization shall contract for the purpose of constructing or equipping an
14 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
15 contractor an exemption certificate for the project involved, and the
16 contractor may purchase materials for incorporation in such project. The
17 contractor shall furnish the number of such certificate to all suppliers from
18 whom such purchases are made, and such suppliers shall execute invoices
19 covering the same bearing the number of such certificate. Upon
20 completion of the project, the contractor shall furnish to such organization
21 concerned a sworn statement, on a form to be provided by the director of
22 taxation, that all purchases so made were entitled to exemption under this
23 subsection. All invoices shall be held by the contractor for a period of five
24 years and shall be subject to audit by the director of taxation. If any
25 materials purchased under such a certificate are found not to have been
26 incorporated in such facilities or not to have been returned for credit or the
27 sales or compensating tax otherwise imposed upon such materials that will
28 not be so incorporated in such facilities reported and paid by such
29 contractor to the director of taxation no later than the 20th day of the month
30 following the close of the month in which it shall be determined that such
31 materials will not be used for the purpose for which such certificate was
32 issued, such organization concerned shall be liable for tax on all materials
33 purchased for the project, and upon payment thereof it may recover the
34 same from the contractor together with reasonable attorney fees. Any
35 contractor or any agent, employee or subcontractor thereof, who purchased
36 under such a certificate for any purpose other than that for which such a
37 certificate is issued without the payment of the sales or compensating tax
38 otherwise imposed upon such materials, shall be guilty of a misdemeanor
39 and, upon conviction therefor, shall be subject to the penalties provided for
40 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
41 subsection shall expire and have no effect on and after July 1, 2019;
42 (mmmm) all sales of gold or silver coins; and palladium, platinum,
43 gold or silver bullion. For the purposes of this subsection, "bullion" means

1 bars, ingots or commemorative medallions of gold, silver, platinum,
2 palladium, or a combination thereof, for which the value of the metal
3 depends on its content and not the form;

4 (nnnn) all sales of tangible personal property or services purchased
5 by friends of hospice of Jefferson county, an organization that is exempt
6 from federal income taxation pursuant to section 501(c)(3) of the federal
7 internal revenue code of 1986, for the purpose of providing support to the
8 Jefferson county hospice agency in end-of-life care of Jefferson county
9 families, friends and neighbors, and all sales of entry or participation fees,
10 charges or tickets by friends of hospice of Jefferson county for such
11 organization's fundraising event for such purpose; ~~and~~

12 (oooo) all sales of tangible personal property or services purchased
13 for the purpose of and in conjunction with constructing, reconstructing,
14 enlarging or remodeling a qualified business facility by a qualified firm or
15 qualified supplier that meets the requirements established in K.S.A. 2022
16 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
17 been approved for a project exemption certificate by the secretary of
18 commerce, and the sale and installation of machinery and equipment
19 purchased by such qualified firm or qualified supplier for installation at
20 any such qualified business facility. When a person shall contract for the
21 construction, reconstruction, enlargement or remodeling of any such
22 qualified business facility, such person shall obtain from the state and
23 furnish to the contractor an exemption certificate for the project involved,
24 and the contractor may purchase materials, machinery and equipment for
25 incorporation in such project. The contractor shall furnish the number of
26 such certificates to all suppliers from whom such purchases are made, and
27 such suppliers shall execute invoices covering the same bearing the
28 number of such certificate. Upon completion of the project, the contractor
29 shall furnish to the owner of the qualified firm or qualified supplier a
30 sworn statement, on a form to be provided by the director of taxation, that
31 all purchases so made were entitled to exemption under this subsection.
32 All invoices shall be held by the contractor for a period of five years and
33 shall be subject to audit by the director of taxation. Any contractor or any
34 agent, employee or subcontractor thereof who shall use or otherwise
35 dispose of any materials, machinery or equipment purchased under such a
36 certificate for any purpose other than that for which such a certificate is
37 issued without the payment of the sales or compensating tax otherwise
38 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
39 therefor, shall be subject to the penalties provided for in K.S.A. 79-
40 3615(h), and amendments thereto. As used in this subsection, "qualified
41 business facility," "qualified firm" and "qualified supplier" mean the same
42 as defined in K.S.A. 2022 Supp. 74-50,311, and amendments thereto; *and*

43 (*pppp*) *all sales of medical cannabis consumer products lawfully*

1 *dispensed in accordance with the veterans first medical cannabis act.*

2 Sec. 27. K.S.A. 79-5201 is hereby amended to read as follows: 79-
3 5201. As used in ~~this act~~ *article 52 of chapter 79 of the Kansas Statutes*
4 *Annotated, and amendments thereto:*

5 (a) ~~"Marijuana" means any marijuana, whether real or counterfeit, as~~
6 ~~defined by K.S.A. 2022 Supp. 21-5701, and amendments thereto, which is~~
7 ~~held, possessed, transported, transferred, sold or offered to be sold in~~
8 ~~violation of the laws of Kansas;~~

9 (b) ~~"Controlled substance" means any drug or substance, whether real~~
10 ~~or counterfeit, as defined by K.S.A. 2022 Supp. 21-5701, and amendments~~
11 ~~thereto, which is held, possessed, transported, transferred, sold or offered~~
12 ~~to be sold in violation of the laws of Kansas. Such term shall not include~~
13 ~~marijuana;~~

14 (e)(b) "dealer" means any person who, in violation of Kansas law,
15 manufactures, produces, ships, transports or imports into Kansas or in any
16 manner acquires or possesses more than 28 grams of marijuana, or more
17 than one gram of any controlled substance, or 10 or more dosage units of
18 any controlled substance which is not sold by weight;

19 (d)(c) "domestic marijuana plant" means any cannabis plant at any
20 level of growth which is harvested or tended, manicured, irrigated,
21 fertilized or where there is other evidence that it has been treated in any
22 other way in an effort to enhance growth.

23 (d) *"marijuana" means any marijuana, whether real or counterfeit,*
24 *as defined in K.S.A. 2022 Supp. 21-5701, and amendments thereto, that is*
25 *held, possessed, transported, transferred, sold or offered to be sold in*
26 *violation of the laws of Kansas; and*

27 (e) *"medical cannabis consumer products" means the same as*
28 *defined in section 2, and amendments thereto.*

29 Sec. 28. K.S.A. 79-5210 is hereby amended to read as follows: 79-
30 5210. Nothing in this act requires persons registered under article 16 of
31 chapter 65 of the Kansas Statutes Annotated or otherwise lawfully in
32 possession of marijuana ~~or~~, a controlled substance *or medical cannabis* to
33 pay the tax required under this act.

34 Sec. 29. K.S.A. 65-28a05, 65-28b08, 79-5201 and 79-5210 and
35 K.S.A. 2022 Supp. 21-5703, 21-5705, 21-5706, 21-5707, 21-5709, 21-
36 5710, 65-1120, 65-2836 and 79-3606 are hereby repealed.

37 Sec. 30. This act shall take effect and be in force from and after its
38 publication in the statute book.